Tradition, Vision & Change
This book is dedicated in memory of

Henry Carter Adams 1851 - 1921
Chairman of the University of Michigan
Department of Economics from 1880 to 1921

Edmund Ezra Day 1883 - 1951
Chairman of the University of Michigan
Department of Economics from 1923 to 1928 and
Founding Dean of the Business School

whose sense of adventure, dedication to excellence and
commitment to social well-being inspired more than a
century of progressive business education and professional
development at the University of Michigan.
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In 1999-2000 the University of Michigan Business School celebrated the 75th anniversary of its founding as a professional school of business studies. Commemorating that event, a small group of enthusiastic and curious members of the School's community set out to trace the chronicle of the School's history from its tentative beginnings at the start of the 20th century. The sources were few and fragmented, yet rich in personality and personal reflection. From course schedules and commencement programs, collected letters, reports, photographs, memorabilia and oral memoirs, a story began to unfold. It is the story of an institution driven by vision and fueled by change. And it is a story within a story, set in the context of the development of American business education as a professional and academic pursuit.

Those in search of the origins of business education can legitimately go back to the training of apprentices in crafts and trades — probably about 4,000 years ago. But business education today finds its more likely antecedents in 16th century Italian treatises on bookkeeping, and the subsequent, more sophisticated development of economic thought known as "political economy." It was the latter that traveled the ocean to young America in the 18th and 19th centuries.

Emboldened by an industrializing society, business education elbowed its way into American academia during the early 1900s, first in search of a curriculum, then in search of acceptance and, by the mid-1920s, in search of a mechanism for managing its own extraordinary growth. The Great Depression of the 1930s enhanced an emerging focus on policy issues, and issues that expressed social concern. World war in the 1940s revealed the capacity of business schools to provide seriously needed logistical expertise and leadership. By mid-century, graduate business education had fully arrived, bedecked with the prestigious emblem of the MBA degree.

National turmoil in the 1960s jolted America's business schools out of their comfortable conformity and awakened them to an era of creative innovation, heightened social awareness and the global reality of the 1970s. The last two decades of the 20th century witnessed a remarkable transformation of professional business education. Today's MBA graduate is more engaged, more participatory, more practical and more proactive than ever before. And these young men and women are certainly effective contributors to the society in which they are employed.

In writing the story of the University of Michigan Business School against this backdrop of a continually transforming character of business education, our mission was to enrich our understanding of who we are by learning more about where we have been. We hope we have been successful.
Thank You

This book is, above all, the result of a team effort. We thank the entire Business School community for their involvement, contributions, support and patience. Our emeritus faculty and staff, especially, have given us their time, shared their memories and contributed invaluable perspective. The late professor Wilbur K. Pierpont, professor emeritus Paul W. McCracken and professor emeritus Carleton H. Griffin faithfully read drafts of the manuscript and served as consultants on many occasions. Other members of our community who provided valuable assistance include former dean Gilbert R. Whitaker, Jr., dean B. Joseph White, Judith Goodman, former assistant dean for admissions and student services, professors emeritus Alfred L. Edwards and Edwin L. Miller, professors Linda Lim and Gunter Dufey, Raymond T. Perring, alumnus of the Class of 1927, and Brenda L. Ostrowski, manager of the School's faculty support services.

We owe special thanks to the professional staff of the University's Bentley Historical Library, to Jo Ann Sokkar, research librarian for the Kresge Business Administration Library, to Aline Soules, the Kresge Library's director, and to Enid Galler, whose oral history interviews immeasurably enriched the text. In addition, the photographic archives of the Business School's *Dividend* magazine provided the richest of resources for assembling historical images.

Marilyn McLaughlin performed the original research and produced the chronological framework for the School's seventy-five-year history. The valiant and talented efforts of our writer, Amy Mindell, brought the story to life. Our designer, Liene Karels, applied her remarkable talents to illustrating that story with treasured images. Mary Miles gathered and organized those images.

Frank Wilhelme, assistant dean for development and alumni relations, and Elsie Orb, associate director of development and director of the history project, reviewed and edited the text numerous times, offering guidance, direction and the priceless commodity of sound judgment on innumerable tough decisions. We also want to thank Cynthia Shaw, editor of the School's alumni magazine, *Dividend*, for her help and suggestions throughout. Erin Epker provided valuable assistance with the last stages of preparation of the manuscript. And finally, special mention must be made of the heroic efforts of Amy Popoff, over many months, to coordinate the people, the processes and the dynamics that have led to the completion of this book.

Finally, technical credit goes to Fred Wessells for his expert copy editing, Victoria Veenstra and Ed Smith for skilled imaging and reproduction, and Paula Yocom and the dedicated staff of University of Michigan Printing Services for final production.
Our images of the past convey a pastoral scene. Ann Arbor, Michigan, in the 19th century was a soft mosaic of grassy fields, rustic byways, horse-drawn wagons and strolling citizens. What this scene belied, as it did for much of pre-industrial America, was the excitement and intellectual energy poised to take wing on the winds of a new and dynamic century.

In the heartland of Middle America, the University of Michigan was a young and flourishing institution. Its corridors and classrooms embodied the experience of a generation caught up in the tension between tradition and change. As the forces of commerce, industrial enterprise and international intercourse began to alter forever America's familiar way of life, visionaries such as Michigan's Henry Carter Adams understood that time would not turn back. Adams saw the need for the University to take a different view of business, business practice and business education. His approach was to craft a curriculum of study within the traditional discipline of economics and, through education,
supply the nation with "business talent of a superior order." Under Adams’ leadership, the first courses in "higher commercial education" were offered at the University of Michigan in 1900.

For Adams, the challenge had been to gain an academic foothold for business education. For his successor, the economist Edmund Ezra Day, the task became one of building the curriculum and gaining respectability for business education within the academic community. Day did so by "applying scientific methods to management problems" and promising to produce "business scientists." Day won the establishment of the University of Michigan's School of Business Administration in 1924, and his own appointment as the School's first dean. In 1926 the School's first MBA graduates entered America's professional workforce.

Clare B. Griffin assumed the School's deanship in 1927 and spent the next 18 years consolidating the gains made by his pioneering predecessors. Almost in defiance of the vicissitudes of the Great Depression and the onset of the Second World War, the School continued to thrive and grow. Griffin strengthened relationships with corporate America, established degree programs for undergraduates and doctoral students, forged important links with alumni and opened the doors more widely for women who were seeking professional careers in business.

In 1944, Griffin was followed by Russell A. Stevenson, whose tenure as dean was consumed by post-war phenomena, including the School's extraordinary growth. In 1947 Stevenson directed the groundbreaking and construction of a new building, which became the School's permanent home on campus. Perhaps more than any other, this event signaled the acceptance of business education as a pursuit worthy of academic inquiry. Stevenson also formalized the School's
executive education programs, extended courses for credit to off-site locations in the state of Michigan and initiated the first joint degree program with another University division. In 1954 the Business School and the Medical School offered a Master’s of Hospital Administration degree.

In 1960 the baton was passed to Floyd A. Bond whose 20 years as dean of the School were beset by the challenges of a turbulent society. Griffin and Stevenson had managed the effects of rapid growth, but it was Bond who experienced the pains of a School growing up. Rapidly changing socioeconomic needs required serious reform of the curriculum, and student unrest vented demands for increased minority enrollment. Opposition to the Vietnam War and the “establishment” found an easy target in the Business School. Yet Bond held firm to his goal of making the School “one of the principal intellectual centers on campus,” and it emerged from the turmoil of the Sixties a more mature and responsive institution. A Visiting Committee of corporate executives was assembled to advise the School on its direction and mission. Facilities were expanded to accommodate burgeoning enrollments. A new curricular emphasis responded to the growing internationalism of economic life. And the newly organized Black Business Students Association sponsored their first annual conference. By the late 1970s, the University of Michigan Business School had joined the ranks of the nation’s leading professional schools of business, a position it maintains today.

When Gilbert R. Whitaker became dean in 1980, he walked right into the most serious financial crisis in the history of the University. Economic recession, a floundering automobile industry and a state in the throes of fiscal crisis greeted his arrival. These dark clouds, however, only served to strengthen his resolve. The goal of his immediate predecessor had
been to place the School at the center of the University’s intellectual life. Whitaker’s goal was to place the School among the top three business schools in the nation. He quickly assessed the environment and the strengths and weaknesses with which he had to work. He then engaged the faculty in his ambitious plans and embarked on a decade-long program of improvement. Whitaker focused first on people—more and better faculty, more diverse and better students. He also moved on programs—the Ph.D. agenda, the core curricula, joint degrees with other University schools and colleges, international initiatives, executive education, information systems. And he tackled the enduring problem of inadequate facilities with a new library, computing services and the Executive Education Center. For all this, Whitaker found or raised unprecedented financial resources from new private sources. By the end of the decade the School was, indeed, ranked among the nation’s top business schools. Of greater significance, Whitaker had constructed a platform of academic excellence from which the innovative initiatives of the 1990s would be launched.

Dean B. Joseph White accepted leadership of the School in 1990. White was the kind of leader who embraced change, who saw possibilities instead of problems and who recognized potential as the key to individual and institutional success. The creative irony of White’s leadership reached back to one of the School’s oldest traditions—challenging the established order in an effort to engage the future. He empowered innovation and insisted on quality.

The decade of the 1990s was a time of high energy, enthusiasm and excitement. White directed a major overhaul of the curriculum, bringing it into step with rapid change in the business world. He imple-
orientation program that emphasized teamwork and community service. He promoted an array of international initiatives and fostered a global outlook. Interdisciplinary programs flourished and matured into institutes that became centers of inquiry for the study of transitional economies, competitive manufacturing, environmental concerns and entrepreneurship. White also led an enormously successful fundraising campaign that strengthened the resource base for sustaining these initiatives.

At the close of the decade and on the threshold of the new century, White was still pushing the boundaries of convention. A collaborative research study explored the issues that would affect the future of women in business. A new admissions test is under investigation to identify the kind of practical intelligence that produces successful business leaders. And an innovative coalition of three top business schools – the Haas School at Berkeley, the Darden School at Virginia and the University of Michigan Business School – has launched a cross-national collaboration in e-commerce course offerings that could well change the landscape of American management education for years to come.

Although the succession of deans over the past 75 years identifies the milestones of leadership in the history of the institution, the story of the University of Michigan Business School is much more an evolutionary weave of ideas, visions and values. Each era adds different texture and tone to the fabric, but the threads of continuity hold it together, producing strength, flexibility and longevity. From the earliest efforts of Adams and Day, we can identify a dedication to educating leaders with multiple skills and varied talents, pragmatic ability and societal awareness. From the beginning, business education at Michigan has set the highest standards for acquiring interdisciplinary knowledge, achieving a
global outlook, applying theory to practice and instilling the values of community service and corporate citizenship. Michigan's pioneers of business education were themselves risk-takers. They encouraged entrepreneurship and nurtured a culture of people and ideas that, when mobilized into action, would create change. Today, many of the program signatures of business education at Michigan are direct descendants of the visions of these early pioneers, and of generations of faculty and students deeply committed to excellence. A broad approach to management, involvement with the community, an emphasis on innovation, the effective application of theory, and a solid research foundation— all represent unique curricular threads unbroken through time.

Human institutions are often both the products of their societies and the promulgators of social and economic change. In the best of these organizations, tradition and change find an accommodating and progressive balance. Today, the University of Michigan Business School, supported by the strongest of its traditions and creative in its look to the future, stands tall among its peers as the innovative leader of professional business education.
Striding into the 20th century, the United States was a confident and optimistic nation. Americans had settled the west to the Pacific Ocean. They were finding stable jobs in the new cities and growing towns. Many Americans enjoyed better wages and housing, and amenities such as symphony orchestras, art galleries, opera companies and public parks. Dazzling new technological advances meant electric lights, telephones, refrigerated railroad cars, skyscrapers and steel bridges. There was no hint of coming hardship. There was prosperity and there was peace. The First World War was still 14 years away, and the Great Depression a quarter of a century ahead.

In 1900, the University of Michigan was already more than eight decades old. The University had been established in 1817 and based in Ann Arbor since 1837. By the early 1900s, the University boasted a marching band, a fight song ("The Victors" was inked by a senior music student in 1898) and the first Rose Bowl triumph (1902, vs. Stanford). The student population was becoming more diverse:
Madelon Stockwell, the University's first female student, enrolled in 1870, and law student Gabriel Franklin Hargo, an African American, received his law degree the same year. Among the University's nine schools and colleges were a dental school, a college of architecture and a school of pharmacy — but no school of business education.

Business Education at Michigan

There was just one school of business administration (Dartmouth) in the United States in 1900, and only a handful of others would emerge in the ensuing two decades. Business was simply not regarded as a subject for serious academic inquiry, and instruction in commerce was not part of the nation's academic agenda. The academic community believed colleges were meant to cultivate "thinking" with a capital "T" and they promoted a traditional curriculum. Also, in many quarters business was considered a trade — not a true profession like medicine or law or engineering. The general public considered the field of business to be clerking and shopkeeping, and most educators agreed that future business leaders should be well versed in a broad, liberal arts course of study.

Slowly, that view began to change. Business training, as vocational education with emphasis on skills such as ledger keeping and stenography, gave way in the coming decades to business education as a mature field of academic inquiry, complete with theory and specific subjects of scholarly pursuit.

Henry Carter Adams – Elevating Business to a Professional Status

The University's Department of Economics was then headed by Henry Carter Adams, known to be a bold innovator and forward thinker, who had come to the University in 1880. Working initially under a dual contract with Cornell University, he was appointed chair of Michigan's Department of Economics when his criticism of American railroad conglomerates forced his departure from Cornell.

When Adams arrived in Ann Arbor, he encountered a University that had expanded
seen as strikingly modern and bold. He actively promoted the development and instruction of business theory as a means of improving business practice. This was a brave stance and a new concept. He believed that training businesspeople ultimately would make America stronger and help the nation cope with increasing international competition.

In a 1900 newspaper article, Adams wrote:

"What we need is insight. Nothing can save our highly organized industrial society from disintegration or permit the future to realize the high possibilities of life involved in this organization but an appreciation on the part of businessmen of the fundamental and enduring principles of business conduct...Unless industrial forces are subjected to the service of national wellbeing, they will eventually destroy the industrial structure in which they find expression."

Until recently matters of international trade were of slight significance to the United States, but in view of the new phase of commercial ambition entertained by the American people...she dare not repose her great interest to the care of so fickle an agent as the genius for business. Genius, even admitting that we
possess it, can never stand the competition with training, nor can daring in great enterprises hold its own against scientific insight into the conditions of trade.

Adams intended to teach the principles of commerce and industry. He proudly advertised his intent to "supply business talent of a superior order" — a mandate that has continued to be one of the School's overarching goals even today.

The first business courses offered University-wide were listed in the University of Michigan 1900-1901 Calendar for both undergraduate and graduate students. Each year new courses were added; and in 1902 these courses were listed under a new departmental heading: "Political Economy, Industry and Commerce, and Sociology." An attachment stated courses would focus on "the study and organization and processes of modern business...closely related to economics both as a study of wealth production and as an account of the application of economic principles in industrial society. Some are technical in character and are intended to rank as semi-professional courses."

Adams vehemently denied claims the University was turning itself into a business college. He wrote, "There is no typewriting, no stenography, no bookkeeping, no play at banking with 'business college' paper money. All those things are left where they belong, in the commercial courses of the high schools and in the 'business colleges.'" The University was offering "a higher commercial education."

Gradually, the public came to understand his mission. Nationwide, there was a dawning awareness of the importance of proper business administration. There was a growing sense that the relationship between business management and the community must be clearly understood, and Americans looked to the universities to address the need for greater comprehension.

To help answer these concerns, the Department of Economics tailored a series of classes to reflect the business needs of the day, including accounting and finance, wholesale and retail trade, statistics, railway organization and operation, and investment. One of these early courses was in marketing, believed to have been the nation's first such-course.
Correspondingly, student enrollment in the Department of Economics grew from 950 students in 1914 to nearly 1,400 in 1919.

In 1918, in direct response to student demand, the department instituted a separate certificate of business administration through the College of Literature, Science and the Arts (LS&A). Once the students had earned a Bachelor of Arts degree through the College and received recommendation from the Department of Economics, they were additionally awarded the Certificate in Business Administration.

When Adams died in 1921, he was still chair of the Department of Economics. Through the development of his commercial courses, and before the certificate program was phased out in 1925, the University would award business certificates to more than 550 young men and women. The increasing popularity of Adams' certificate program confirmed that business was no longer seen simply as a trade. The new class of "white collar" workers was beginning to elevate business to a professional status in the eye of the American public.

Edmund Ezra Day: "Applying Scientific Methods to Management Problems"

While the business curriculum percolated at the University, the American public struggled to make sense of the quickening pace and increasing complexity of modern life. Overseas the First World War ravaged Europe, and America watched from afar until it became impossible to remain neutral. The war ended in 1918, but armistice was accompanied by disillusionment. A short depression in 1921 only made morale worse.

During the 1920s, the United States experienced strong economic growth, which in turn increased demand for managers more knowledgeable about the theory and practice of business. Colleges and universities began to address this need by offering more sophisticated business courses. The University of Michigan responded by hiring esteemed economics professor Edmund Ezra Day to establish a School of Business Administration at the University.

University President Marion Leroy Burton lured Day, an outstanding leader and talented
statistician, from Harvard, in part promising Day he could establish Michigan’s School of Business Administration and become the School’s first dean. Burton also managed to secure the $10,000 annual salary that Day demanded (25 percent higher than Burton’s original offer).

The University was fortunate to attract Day. He was an impressive character and boasted a prestigious career. He had received his Ph.D. from Harvard in 1909, taught at Dartmouth’s Amos Tuck School of Administration and Finance and served as Chief Statistician of the Central Bureau of Planning and Statistics in Washington during the First World War.

Day arrived in Ann Arbor in February 1923. He took over as chair of the Department of Economics, with a primary mission to establish the business school. He had much work to do. He found Michigan’s existing business curriculum to be an uneven mix of social science and commerce. But more than anything else, Day – like his predecessor, Henry Carter Adams – was committed to business education. He was willing to take strong measures to redirect the curriculum. His goal was to shape business leaders who would actively lead, not passively follow. He envisioned future business leaders grounded by a rational and well-rounded education. And he was committed to a relationship between business and the community. This commitment would become a hallmark of the School’s mission.

Educational Foundations: The Creation of “Business Scientists”

Day promised the entire curriculum would be cutting edge, bold and, most important, “scientific.”

“Give us but five years and we will turn out a product which we will certify as satisfactory, sound and capable. We do not plan to make expert technicians. Ours is the task of making business scientists,” Day told The Detroit News in 1923.

Day’s curriculum emphasized the analysis of business problems, management techniques and research methods. The faculty would employ innovative instruction, using case
studies as study tools and exploring the mechanics of business operations in seminars.

The University established a five-year MBA program in 1924, enrolling only students who had completed three years of non-business collegiate work. Admission standards were high. Day believed this plan would afford excellent training for "careers of responsibility" in business. For Day, the goal of business training was threefold: to teach basic management principles, to use analysis in attacking management problems and to ensure sensitivity to the needs of the community. What he meant by the latter would translate in the coming decades into a concept of corporate responsibility. He knew corporations are responsible to the society in which they operate, and instilled in his students a concern for the society as a whole and their effect upon it. This concept became part of the bedrock of the Michigan curriculum. Students undertook three years of "general cultural work," providing a strong base of liberal arts education that incorporated substantial work in the social sciences, particularly economics. This strategy ensured graduates were well-rounded, and became a key component in the School's leadership training. The final two years were "strictly professional instruction" in which students were able to hone business skills with courses in the elements of accounting and statistics.

"Business has long since learned how to profit from the application of scientific methods to its engineering problems, but it is coming to rapidly appreciate the possibilities of a like application of scientific methods to its management problems," Day wrote.

The School formed a partnership with the Department of Economics, and Day remained department chair. Economics was, he believed, "the science on which business administration rests." At the same time, however, there was a growing sense of the divergence between the inquiries of economics and business. The 1923 LS&A catalogue included this statement:

"Attention is called to the new School of Business Administration which is to be opened at the beginning of the academic year 1924-1925. Courses in business administration will be offered during the next three years..."

"Read this and weep": student budget, c. 1915

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This is the cost of a typical day's meals as recorded in a student's "expense book" in 1915. Professor Herbert Taggart, the late professor of accounting, wrote of one frosh who arrived for his first day of class; his entire net worth was $88.24, and this was meant to cover tuition, room and board, and a locker at Waterman Gym. To supplement his finances, the student got a part-time job (at 15¢ an hour) and tended his landlady's furnace for $4 a month. He had just enough to make it -- with a little help from a generous aunt.
academic years both in the Department of Economics...and in the School of Business Administration; but with the beginning of the year 1927-1928, the courses will be withdrawn from the Department of Economics and instruction in business administration confined to the new school.

*Michigan's Newcomer: The School of Business Administration*

On January 10, 1924, *The Michigan Alumnus* newspaper announced: "Beginning with the next academic year Michigan is to have a newcomer among the nine schools and colleges of the University — the School of Business Administration."

*The First Faculty*

The School admitted its first students in September 1924. The original faculty consisted of three professors, one associate professor, four assistant professors, two lecturers and four instructors. They represented an assemblage of scholars from the University of Michigan, Harvard and Carnegie Tech, and they were a mix of younger instructors and more seasoned teachers. The instructors Day brought from Harvard included Professors Olin Blackett, Margaret Tracy, Robert Masson, John Mitchell and Carl Schmalz. The Michigan contingent included Professors William A. Paton, Clare E. Griffin and Robert Gordon Rodkey. Some faculty members held joint appointments in the new School and in the Department of Economics.

The younger members were well trained, enthusiastic, personable and dedicated to the
D. Maynard Phelps came from a rural area of Michigan and ran his family's farm supply business during the First World War. He came to the University to study business and to major in economics but was fascinated by marketing. Phelps took every marketing course that was offered and ended up forming a lifelong friendship with his marketing professor, Clare Griffin, who would later serve as dean of the Business School.

Once he graduated, Phelps taught all the School's early marketing courses - quite a feat for an inexperienced MBA. But his enthusiasm for teaching, research, and publication were renowned. Years later, his influence inspired two younger colleagues, Thomas Kinnear and James Taylor, to dedicate their text on marketing research to Phelps, whom they called "Michigan's Mr. Marketing."

Professor Paul McCracken knew Phelps as "a great guy, optimistic and ebullient, the kind of bridge player who, if he ought to bid four spades, would undoubtedly bid six and occasionally even make it."

Phelps was one of the School's first professors to delve into international business. In 1933 he received a traveling fellowship from the Social Science Research Council and studied the migration of American industry into Latin American countries. When the School's first program in international business was started, he served as its first director.

During the war years, Phelps served in the U.S. State Department, consulting on international trade. In 1943, he served as the senior economic analyst at the American Embassy in Venezuela. He also took on many other foreign consultancy positions in the post-war years, helping to organize the new economic order.

Merwin H. Waterman arrived at the University in 1921 to study economics and accounting. "My mother and father delivered me to the corner of Church and Hill streets in September in their Model T Ford," recalled Waterman, who later became a professor of finance. The encouragement of a high school teacher led him to enroll. Otherwise, he might have sought employment in his hometown of Jackson, Michigan, perhaps at his father's grocery store. During his first semesters at Michigan, Waterman rode the railway home each weekend to lend a hand at that store.

In addition to the grocery store, Waterman spent his summers working as an "office boy" at Consumers Power Company. He chose economics partly because of his exposure to business, and when the Business School opened during his junior year, he enrolled. The following semester, Professor Griffin appointed Waterman as his assistant for the princely sum of $250 a year. Waterman and Phelps were co-graduates in the Class of 1926.

"[After graduation] Dean Day called me to his office," Waterman recalled. "He asked me to return the following fall as an instructor while working for my Ph.D. in Economics, since no such degree existed in Business Administration at that stage of the game. I decided to try teaching, beginning in the fall of 1926, and I kept trying it until I retired in 1972."

After receiving his Ph.D. in 1931, Waterman became a professor of finance and stayed at the University until he retired, serving as School secretary, managing the Bureau for Business Research and successfully combining research, teaching, and administration throughout his 51 years with the School.

"We were the guinea pigs for much experimentation," he said in 1971, "but we survived and enjoyed the experience... Today, as we see the Business School's tower being expanded by the addition of Assembly Hall, more classrooms, an auditorium and additional office space, we think the educational foundations put down by the original faculty and built upon by the students must have been pretty good." Professor Waterman died in 1984.
School's success. The group included some of the School's top graduates, most of whom remained at Michigan to pursue long and successful academic careers.

According to 1926 graduate D. Maynard Phelps, who later became a professor of marketing, students sometimes suspected the young instructors did not know much more about their subjects than they did. "But this was a healthy situation and they learned together. It was a tutorial-style relationship from which all benefited," Phelps recalled.

1920s Class Album: A Deep Bond and Life-long Reunions

The first University of Michigan Business School students were intelligent and industrious. They were a diverse group, from a variety of cultural and socioeconomic backgrounds. The very first class enrolled farmers' sons from rural Michigan, African Americans, and international students from China and Japan, including Sih Eu-Yang from Shanghai, the first woman to earn a Michigan MBA.

These men and women had the distinct sense they were pioneers — participants in an exciting educational experiment from which they would receive both a BA and an MBA degree in five years. All had unwavering respect for Day, and for the professors who rounded out his faculty.

Commencement in 1926 proved to be a significant endorsement of business as a "worthy calling." That year, the University awarded its first academic degrees and granted an honorary doctorate in business to Henry Ford. The handful of newly minted MBAs stood alongside 1,705 Michigan graduates before an audience of 12,000 people.

Of the School’s first class, five became academicians, one went into banking, two into finance and others into management, government and marketing. The two top students, Waterman and Phelps, remained at the University and were excellent additions to the new School's faculty roster. Assigning green MBAs to University courses was not a
typical practice, but Day was determined to get the School up and running — no matter the cost — and he had to find instructors to staff the full curriculum of courses he intended to offer.

One member of the Class of 1927, Raymond T. J. Perring, recalled in an interview more than seven decades later that he was the only student enrolled in a finance class.

"Professor Robert Masson was the professor of banking and finance. I went to his office and he shut the door and said, 'Now you're the only student who's signed up for my class.' I thought for sure he would cancel the class, but he said, "No, the School is new. We want a full curriculum, and you'll be the only student in my class.' It was a great experience. And I sure had to be prepared, because there was nobody else to call on."

Because the early classes were so small, students and faculty formed personal bonds and often lifelong relationships. Ray Perring remembered his friendship with Robert Gordon Rodkey, a professor of banking and investment and a founding faculty member. After Perring's graduation in 1927, Professor Rodkey insisted that he apply for an opening in the commercial credit department at the Detroit Savings Bank. Perring applied and got the job — and under Perring's leadership, the bank became a major national bank, now known as Comerica. "I am very thankful for the opportunities given to me (at the University of Michigan Business School) and am especially thankful for Robert Rodkey's advice and counsel."

The Class of '26 held nearly 80 annual and semi-annual reunions, probably more than any other class in the University's history.

The reunions, however, were not entirely devoted to scholarly discussions of economic and social problems. The group always had fun, playing cards and games and reminiscing. "Most of our reunions were held at a member's cottage on a lake over near Pontiac. We were a closely knit group," wrote marketing professor D. Maynard Phelps. "We have kept in very close touch over the years."
Student Life in the Jazz Age

Michigan's student life in the Roaring Twenties was filled with dancing and music. Every Friday and Saturday night there was dancing in the Union, and later at the League and at Granger's Academy. There was dancing every night at the Hut and the Den and at Drake's Sandwich Shop. There were a dozen fraternity and sorority dances each weekend. Students had radios in their rooms, and every fraternity owned a phonograph.

Students who lived in Ann Arbor in the twenties remember the town as a delightful place to work and play. Then, most people walked everywhere they had to go, although then, as now, many students had cars. Those who did not use the streetcars that rumbled through town. Roller skates were popular, and unwitting walkers learned to avoid the skaters zipping across the Diag.
The Little Red Schoolhouse: The ‘Meeting of Commerce and Education’

University quarters were tight for the growing new School. In 1924, the Regents designated Tappan Hall, a graceful but small red brick building, as the new Business School’s permanent home. It would serve this purpose for 25 years, until a new building was opened. The School shared Tappan Hall with the School of Education. As one business school student quipped: “It was truly where commerce and education met.”

That student, the late Robert Briggs, became a professor of accounting. Briggs also had a long and varied career with the larger University, serving as a Regent and as Vice President for Business and Finance. Briggs recalled a very fine library, the beginnings of what would eventually become one of the nation’s best academic business libraries. Over the years, as the School grew, Tappan Hall became crowded and cramped, with limited administrative space. By 1948, Tappan Hall was succeeded by a new building, which became the School’s permanent home on campus.

The School’s early leaders were risk-takers who were willing to cross the boundaries of accepted thought and practice for the sake of advancing business education. The innovative atmosphere at the School set the tone for decades to come, a tone of purpose and vision. During these early decades, the nation underwent a great transformation, with the most dramatic changes yet to come. America’s industrial power solidified and grew, and the School – in order to meet the needs of the state and the nation – grew along with it. The earliest classes in business were offered through the Department of Economics – including the nation’s first marketing course. The high quality of instruction only increased the demand, and students eagerly filled the lecture halls. Public awareness also was heightened for the importance of formal business training. With an academic foothold firmly in place, the next two decades would prove to be a time of growth and consolidation for the School. It was apparent that business education would be an important and permanent fixture on American campuses.
The Business School's first internationally acclaimed scholar, the late University Professor William A. Paton, was an accountant's accountant.

Paton left his parents' rural Michigan farm for the University of Michigan and never looked back. He earned an undergraduate degree from Michigan Normal College (now Eastern Michigan University), a master's degree in 1916 and a Ph.D. one year later from the University of Michigan. He took to numbers and accounting with alacrity. Paton's gift was his ability to think out of the box, and his influence on the profession effected widespread reform. In the early years, he was often considered a radical, but the changes he brought about have become standard accounting practice.

Paton was one of the first theorists to argue that accounting should include the effects of inflation, changing replacement costs, fluctuating interest rates and other economic factors in order to present a more accurate picture of a firm's fiscal position.

"His structure of accounting theory in the 1920s was an entirely new approach," said the late Wilbur K. Pierpont, a professor of accounting who also served as the University's vice president and its chief financial officer. "Accounting before Paton was bookkeeping, just listing the assets and liabilities of the owners, without any attempts at analysis."

Paton was a prolific scholar. During his lifetime, he wrote 200 articles and 20 books, his first in 1916 (Principles of Accounting) and his last in 1971 (Assets - Accounting and Administration). Perhaps his most significant book was published in 1940, titled An Introduction to Corporate Accounting Standards. The book became possibly the most influential treatment of accounting theory in the English language. Paton's editions of the Accountants' Handbook were used as sourcebooks for decades, appearing literally on every accounting desk across the nation.

Paton joined the faculty (first in the Department of Economics) and continued to teach long after his retirement. He founded the American Association of University Instructors in Accounting, serving as president in 1922. In 1926 he founded the Accounting Review, the oldest scholarly journal in accounting. In 1950 he was among the first to be named to the Accounting Hall of Fame. In 1977 the University honored him with the dedication of the William A. Paton Center for Accounting Education and Research, financed entirely by gifts from former students, friends, alumni, corporations and accounting firms. In 1987 Paton was named "Accounting Educator of the Century" by the American Institute of CPAs.

Part of William Paton's legacy is his estimated 20,000 former students whose achievements are far-reaching. Students and colleagues remember Paton as intelligent and demanding, crusty and stubborn. He was said to have locked the lecture hall doors just before starting a lecture, so latecomers could not enter. At the same time, as one former student noted, "I just would say that I never had a better teacher."

Paton held the University title Edwin Francis Gay Distinguished Professor Emeritus of Accounting and Economics until his death in 1991 at the age of 101.
The School's early leaders were risk-takers who were willing to cross the boundaries of accepted thought and practice for the sake of advancing business education. The innovative atmosphere at the School set the tone for decades to come, a tone of purpose and vision. During these early decades, the nation underwent a great transformation, with the most dramatic changes yet to come. America's industrial power solidified and grew, and the School—in order to meet the needs of the state and the nation—grew along with it. The earliest classes in business were offered through the Department of Economics—including the nation's first marketing course. The high quality of instruction only increased the demand, and students eagerly filled the lecture halls. Public awareness also was heightened for the importance of formal business training. With an academic foothold firmly in place, the next two decades would prove to be a time of growth and consolidation for the School. It was apparent that business education would be an important and permanent fixture on American campuses.
The first quarter century of the Business School’s development had ended with the School firmly established within the University. The next two decades would be a time of deepening and enriching the School’s intellectual infrastructure, gaining respectability and growing in size and reputation.

While establishing business education at Michigan, the amount that Edmond Ezra Day could accomplish was limited, partially due to a lack of financial and human resources. He carried out the first year with a "skeleton organization." In his 1925 report to the University President, Day identified the School’s priorities:
...Rapid development of the organization is necessary if it is to serve satisfactorily the student body which it should attract in the immediate future. A number of additional faculty appointments must be made...a separate library should be brought together and developed as quickly as possible... A Bureau of Business Research should be established to bring the School into effective contact with outside business and to enrich the professional courses in its curriculum. Additional rooms for classes, a separate building constructed... All these needs must be met promptly if the School is to take its place among the ranking professional Schools of Business Administration in this country.

These, indeed, were the challenges that Day's successors faced. It would take several decades to meet them all, but Day's prediction was correct. They were all necessary, and when met they did ensure the School's place among the nation's elite business schools. Some of Day's objectives were far-reaching. It was not common, for example, for a school to have a penetrating exchange with outside corporations. But Michigan's Bureau of Business Research was created, and the close corporate contacts that were formed would provide a strong foundation for future corporate involvement. Executives often came into Michigan's classrooms to bring the experiences of the real world into the academic setting. And ultimately this innovation would lead to a full-fledged program where the students themselves ventured beyond the classroom and into a company to solve real business problems. Live business cases, as Day so clearly understood, would form the heart of management education. By engaging with
faculty mentors and business practitioners, students then – and now – get the most well-rounded business education.

For Day, founding the school, establishing a cutting-edge curriculum and training some of the first faculty members would be his most significant Michigan legacy. His professional ambitions, however, led him beyond the University of Michigan Business School. In 1926 Day requested a one-year leave to join the Laura Spelman Rockefeller Memorial Foundation in New York, an organization founded for general philanthropic purposes by John D. Rockefeller in 1918 after his wife's death. Day officially resigned his Michigan deanship in 1928, and remained at the Rockefeller Foundation as director for the social sciences until 1937. In that year, Day became president of Cornell University in New York, a position he held until 1949. Even after his departure in 1926, Day continued to support Michigan. In the 1930s Day helped marketing professor D. Maynard Phelps secure a fellowship from the Rockefeller Foundation to visit and study Latin American industry.

Day's tenure at Michigan was regarded with favor by alumni and faculty. As part of their 25th reunion, the first class included a trip to Ithaca, New York, where the then-retired Day lived. The group planned the visit as a surprise for Day, and connived with Day's wife and secretary on the date and time for the visit. They told Day he would be speaking before a women's group. When Day came down to the Cornell Inn for his "assignment," he was met by a group of his former students. He was delighted to see them, and gratified that his contribution to the establishment of the School was so cherished.
New Methods for Solving Business Challenges

In 1926 the Regents appointed marketing professor Clare E. Griffin as acting dean. When Day formally resigned the deanship in 1928, Griffin officially assumed the position.

Griffin had graduated from Albion College in 1914 and received his Ph.D. from the University of Illinois four years later. He taught at Dartmouth and Johns Hopkins, and came to Michigan in 1920 to teach marketing. Griffin was a serious man. Whether teaching, writing, researching, traveling or hunting mushrooms – a favorite Michigan pastime – he studied and took it seriously. He treated nothing in a trivial manner.

Many noted Griffin’s skill as a teacher, especially his talent for instructing small groups. He asked penetrating questions that demanded the student to think through to understanding. Most Business School students in the 1920s took Griffin’s courses, and as the years passed they discovered Griffin was the type of professor they remembered with great respect. Often, however, it was years later that his students came to appreciate the value of the ideas Griffin imparted – ideas that gave them a more mature appreciation of business.

Carl Griffin (BBA ’50, MBA ’53) remembers Professor Clare Griffin (no relation) as a favorite teacher and an inspiring advocate of the free enterprise system. Clare Griffin believed strongly in the importance of able risk-takers who create jobs for others. “One day in the junior year course Economics of Enterprise,” recalled Carl Griffin, “Professor Griffin lamented the tendency of a democratic society to wax sentimental about the great value of ordinary people. He said, ‘There is altogether too much reverence for the common man.’ With great indignation, a student seated in front of me, just to the right, rose halfway out of his seat and demanded, ‘If we don’t revere the common man, who should we revere?’

‘Professor Griffin, who was a tall, scholarly looking man with a deep, resonant voice, let the question hang in the air for a moment, tilted his head back slightly as if to emphasize the height of his moral position, looked straight at the student and replied,
Michigan grads were getting good jobs. Of course they got two degrees (one in business and one in LS&A)...they thought it was great,” Bond said.

At that time, the heart of the school was found in the BBA program. The MBA degree program was still a one-year effort beyond the BBA. The School was known for its superb accounting program at the undergraduate level. According to Carl Griffin, who graduated from the program, “I entered the Business School in the fall of 1948 as a BBA candidate. I understood the Michigan accounting program was, hands-down, the best in the country, and was led by a man named Professor William Paton. The accounting courses were unrelenting exercises in clear thinking. I took courses with Professors Robert Dixon and Herbert Miller. They were both reasonably friendly, but half-baked solutions to problems and cloudy classroom responses did not impress them. These high expectations paid off, because most of us passed the CPA exam on the first attempt. There were other giants on the faculty – Clare Griffin in economics, Wilfried Eiteman in finance and the young Paul McCracken in a course called Business.
Conditions. Like their accounting brethren, they were serious men of high principles. They all shaped, in one way or another, how I have thought and lived since that time. When I went on to the Michigan Law School, it was my two years in the BBA program at the Business School that prepared me very well for the challenge."

Some of the young faculty members who had come with Day from Harvard chose to stay and became the School's senior professors, garnering respect as scholars and teachers. Margaret Elliott Tracy (personnel management) and Olin W. Blackett (business statistics) both stayed at Michigan until retirement, making important contributions to the level of instruction at the School. The faculty members who remained had to handle teaching a full load of courses, and often one instructor taught every course offered in his or her area of specialty. Few new faculty could be added once the full force of the Depression hit. In 1932-33, salary cuts of six, eight and ten percent would be instituted University-wide. In 1933, 95 university positions were eliminated, and those who remained took a second salary cut. The next significant expansion would come only in the late 1940s, to meet the demands of post-World War II enrollment.

Phelps was teaching the Principles of Marketing and Sales Management and Market Research, a course he had designed and developed. He recalled, "For two or three years, from 1926 to 1929, I was the only faculty member in (marketing), so I was teaching everything. Then we got (advertising professor Edgar H.) Gault, who was in the field of retailing. Later on we got Chuck Davison and a few others."

Despite the challenges, Griffin maintained a solid curriculum primarily focused on accounting and statistics and the major phases of management, e.g., production, industrial relations, distribution and finance. There continued to be a strong belief in "scientific method" as well as the technique of "quantitative measurement." There was a strong emphasis on social science, so that students would better understand "the general interests of the community."

In 1929, in order to allow students more time to study business, Griffin enabled
students to enroll in the School after two years in the Literary College, and expanded the required business curriculum to three years.

Students received most of their business instruction through the case method. The first year would be devoted to three basic courses: Principles of Production and Personnel, Principles of Marketing and Financial Principles. They also would study accounting and statistics and business policy. The second and third years would entail some specialization in accounting, marketing, investment, banking, sales administration, advertising or real estate management. This segment of study was limited, since it was not the School's aim to teach the detailed techniques of specific trades or industries. There was the belief these details would be learned on the job, and Michigan's goal was to create broad-minded and critically thinking generalists – not the specialists who were trained at so many other schools and who concentrated in one narrow avenue of study.

By all accounts, Griffin's actions bolstered the School's success. The School was on a steady course of growth and development. It would be forced, like the rest of the nation, to confront serious economic and social issues in the near future, but for now the School was enjoying its triumph.

The Washtenaw Tribune ran a front-page story celebrating the School, noting, "The Department has proven successful and has shown gradual growth." The article was published on October 18, 1929. Six days later the stock market crashed, and Black Thursday changed the economics of American society forever.
Black Thursday (10.24.29): ‘Enrollment Dipped But Did Not Plummeth’

The Great Depression lasted from 1929 to 1941. There had been other slumps, and there had been poverty, but this was the nation’s most severe and lengthy depression and the first time the U.S. economy did not bounce back quickly. At first, the government predicted the economy would recover, but Americans watched the economic situation hit rock bottom in 1933, and saw the unemployment rate reach 25 percent that year as production stagnated, bankruptcies were pervasive and whole areas of the economy virtually shut down.

More than 1,000 students had packed up and left the University during the early stages of the Depression. The University had been known as a dressy campus, with men usually wearing neckties and suit jackets to class and women dressed in hosiery, heels, hat and gloves each morning. The deepening Depression no longer permitted such finery. Those students who remained enrolled held fast to the University. The Graduate School reported an upsurge in registration, and the University business office employed as many graduates as it could place, as did the Union and the merchants up and down State Street. At first, the University barely felt the crash since its budget for two years had been determined by the legislature in the spring when prosperity seemed ensured. But by 1931 the University was looking for ways to secure, and save, money.

Overall, the Business School, like business schools in general, fared relatively well in the downturn. Enrollment dipped but did not plummet. There was a slight decline from 1931 to 1932, from 144 students to 136. The decrease was only partially explained by the economic situation, according to Griffin, who attributed part of the decrease to the School’s more stringent admission standards, which now required 90 semester hours and 135 honor points, or the equivalent of a junior college degree. Despite the Depression, standards remained high as the School maintained its commitment to quality.
Through the worst of it, Business School graduates almost always found work. Approximately 75 percent of the Class of 1933 found jobs by fall, a "gratifying large number," according to Griffin. One reason for this success was the professors' efforts to help students find work. These academic mentors were not satisfied with just any job, but worked to guide students into jobs that fit their aptitudes and would afford opportunity for advancement.

Griffin wrote, "It is assumed the educational process does not end at graduation, and we therefore have an interest in securing for the student conditions of employment that will make it possible for him to continue his professional development."

Phelps recalled one graduate who could not get a job in the Detroit area, but went to New York and came back with four job offers. "It was possible to get a job if you sold yourself well," Phelps said. "(Businesses) were forward looking a bit. They were not stymied by the situation.... It was more difficult (to find a job) during the Depression, but we helped people get jobs. Always have; it's a part of it you see. You train them and you help them get a job."
The Depression increased public demand for better business education. To assist in this time of national distress, many members of the faculty turned their research focus to such topics as the banking crisis. In his annual letter to the School's alumni, Griffin wrote:

"Since the 'banking holiday' was declared in Michigan, considerable attention has been given by a number of faculty members to the problem of banking reorganization and reform.¹ Professor Robert Rodkey, in particular, has devoted considerable time to work with the State Banking Commissioner. A group of five of this faculty and the Department of Economics prepared a memorandum on the banking problem and have spent considerable time in conferences growing out of the proposals contained therein."

Griffin went on to request, as he had in years past, that alumni supply data on their employment:

"I have decided to send on to you the usual request for information concerning your employment status, salary and so forth. I have some hesitation in doing this since some of you, I know, are out of work altogether and others have had radical reductions in salary.... Certainly there is no cause for humiliation if the report for this year shows either unemployment or greatly reduced salary."

He closed the letter that year by saying, "Even with our own troubles and uncertainty for the future, I can still assure you the whole faculty is sympathetically concerned with your progress and prospects."

¹ After the stock market crash, many states, including Michigan, imposed "bank holidays" during which they closed banks to prevent depositors from withdrawing their money.
Women at Michigan's Business School

The story of women at the Business School in many ways mirrors the challenges women faced historically in the business world, and in society at large. They constituted a very limited presence until the 1940s. It would take several decades more for women to achieve a greater presence. Nonetheless, the women students at the Business School in the early years were determined to take the risk; and while they faced obstacles their male counterparts did not, they did receive the same excellent education.

Women had been admitted to the University of Michigan since 1870, when the first female student, Madelon Stockwell, presented herself for winter term enrollment. Though many believed Stockwell would not be able to pass the entrance examination, she scored so well she was promoted directly to sophomore standing. Bravely confronting the naysayers and other prophets of her doom, Stockwell weathered the cold silence of her classmates that first semester and returned in the fall of 1870 with 33 additional women students. From this ambitious group, two enrolled in the law school and 18 in the medical school.

In 1924 a single woman student was enrolled in the Business School's first class, though several women had achieved the Certificate of Business Administration through the LS&A College previous to the School's founding. The Business School's class photograph of 1926 shows Chinese national Sih Eu-Yang among the group. She was followed by Helen Sanford and Dorothy Hagen in the Class of 1928, and Elizabeth C. Black, who served as secretary for the Class of 1929. The highest GPA in the Class of 1931 was attained by Mary Parnell, who was a featured speaker at the School's second alumni conference that year.

What these women and their colleagues in other professional schools suffered most were the effects of a societal climate that was still inhospitable to women seeking careers outside the home. And business careers were outside the parameters of what was deemed an acceptable career choice for women, that is, alternatives to nursing or teaching. This historical mindset in turn influenced corporate recruiting. As late as 1930, a request by the Business School's Student Placement Department to the hotel industry, inquiring about the recruitment of women graduates,
was met with almost total disinterest: “It is evident . . . that the opportunities for women in hotels are limited.” Training women for the professions of business seemed to have little justification at the time.

Margaret Elliott Tracy was the first and only female member of the School’s earliest faculty, and later became the first woman to advance to full professor at the Business School. Tracy was a professor of personnel management and held a joint appointment with the Department of Economics. She was highly respected and was remembered with great deference by her colleagues. When Tracy retired in 1955, she was cited as “a brilliant scholar, a stimulating teacher and a wise counselor of students.” One of Tracy’s students in the 1930s was President Gerald R. Ford, who remembers her fondly.

Tracy’s activities went far beyond the classroom. She served in an executive capacity with several professional organizations, including the National Federation of Business and Professional Women. In 1928 she undertook a research study on the changing economic and social status of women, specifically in the profession of business. Tracy and her research associate, Grace Manson, set out to discover if a college education for a woman “paid off.” She came to the disappointing conclusion that college-educated women made more money than other women but were not “penetrating in any great numbers into the field [of business] where chances of high financial rewards are best.”

Mary C. Bromage, Professor of Written Communication, arrived in Ann Arbor in the early 1930s. Bromage had graduated from Radcliffe summa cum laude and was teaching at a Boston school for girls when her husband was offered an appointment in Michigan’s Department of Political Science. At that juncture, Bromage entered the Ph.D. program of Michigan’s English Department and set her sights on her own career.

Throughout that career, as teacher, writer, educator and government consultant, Mary Bromage refused to downplay the chauvinism she encountered and stood her ground against discrimination, no matter how subtle. Margaret Tracy and Mary Bromage, along with the handful of forward-looking women students who enrolled in the School’s early classes, took the first critical steps toward gender equity for which later generations continue to strive.
The School Expands Its Offerings

Even as economic conditions remained depressed, the students’ youthful optimism persisted. Members of the Class of 1935 held a dinner dance that year, complete with an orchestra, and titled it “The Capitalists’ Ball.” However, if the students of the 1920s seemed intent on having a good time as carefree collegians, those of the 1930s were made more serious and questioning by the Depression. The students of the 1930s were more sophisticated and politically liberal than their predecessors, and they prided themselves on being socially conscious.

As business leaders came to place greater emphasis on collegiate education for business, programs like those at Michigan were recognized as representing a standard of excellence. Competition among the leading schools for the top students accelerated, and schools began offering a wider variety of programs. In order to position itself better, Michigan’s Business School established a Ph.D. program in 1935, with the first degree awarded in 1939. In 1943, a Bachelor of Business Administration (BBA) degree was established.

In addition to expanding its degree programs, the School also established two bureaus oriented toward research, service and continuing education: the Bureau of Business Research and the Bureau of Industrial Relations.

The Bureau of Business Research, established in 1925, provided a means for coordinating faculty research, including sponsored research, as well as a means for developing an intimate and essential relationship with corporate America.

The Bureau of Industrial Relations was responsible for management education and executive development programs. It was established in 1935 and later became part of the University of Michigan Business School Executive Education Center. Funded by corporate sponsors, the Bureau of Industrial Relations held an annual conference that drew a national assemblage of businesspeople.

During the decade of the 1930s, the single biggest problem the School faced was lack of adequate space. By 1929 the School had largely taken over Tappan Hall, but there was still a pressing need for a larger library, more classrooms and additional administrative areas. With each increase in enrollment, space constraints became more serious. By 1940, the School had 18 faculty members, 16 staff at the Bureau of Business Research and one at the Bureau of Industrial Relations. Fifty-seven courses were offered, and student enrollment exceeded 200. However, before the University or the School could attend to the problem of physical space, a more urgent need loomed in the specter of another world war.
Michigan Transformed into a 'War College'

By the end of the 1930s, the Nazis and the Fascists had launched massive military buildups in Europe, but Americans, perhaps still disillusioned by the outcome of World War I, were reluctant to join the conflict. War broke out in Europe in 1939, and France fell in 1940. Americans continued with their daily lives, but were troubled by the escalating conflict and affected by its events. In his annual letter to alumni in July 1941, Griffin wrote, "We have had a successful year in spite of the disturbing effects of the national defense efforts. The prospects of being called to military service naturally tended to distract the attention of the students from the job at hand, but with some few exceptions, we were glad to find the quality and quantity of student work held up surprisingly well."

The United States became directly involved in the war five months later, when Japan attacked the U.S. Pacific Fleet at anchor in Pearl Harbor on December 7, 1941.

The School, like the rest of the University, was transformed into a "war college." The University entered into a federal contract that required the Business School to provide junior and senior coursework to the Navy Supply Corps candidates. Nearly half the Business School's enrollment in 1944 was claimed by the Army, Navy or Marines.

By 1943 there were some 4,000 military trainees on campus, one of the largest combination of Army and Navy students of any university in the country. Together with 2,500 civilian men and 4,650 women, the
total came close to the normal peacetime registration of 10,000. The School adjusted its program to the requirements dictated by the war, including a special program for women aimed at preparing them for government jobs or openings created by the calling of men to the services.

In a 1944 letter to alumni, Professors Paton and Blackett wrote, "The year end finds the UM transformed in many ways from the campus its alumni knew. It is engaged in war training as diversified as it is intensive."

Every American was affected by the war, and even as those on the home front struggled to maintain normalcy, times were far from normal. Even sending the annual alumni letter required new protocol. "From the classes of the last 10 years so many men are now in the Armed Services that it is impossible to keep reasonably up to date on their addresses and current activities," Paton and Blackett wrote. "Therefore this newsletter takes the place of the regular Alumni Bulletin and is sent to all home addresses in hope that it will be forwarded to men in the various branches of the service."

Business School Faculty Remember the Second World War

Most of the nation was focused on the war effort, and the University was no different. The University of Michigan contributed to the development of weapons, including the atomic bomb and radar devices, and the influenza vaccine was produced by a Michigan professor of Public Health. The Business School's faculty also served the war effort.

Robert A. Briggs,
Accounting Professor

Before the Japanese bombed Pearl Harbor, Briggs worked at the Detroit Ordnance District while teaching at the University. Once the Japanese attacked and the Americans officially entered the war, Briggs switched all his classes to the evenings and spent his days at Detroit Ordnance until the end of that semester. Then he stopped teaching altogether. He was head of general administration at the District, and often worked the entire week straight without a break.
“Wartime activity was such that...you see you were bringing together a tremendous mass of people who didn't know what the hell they were doing – and neither did I at times, but you had to coordinate it and you had to keep it going,” Briggs said.

His wife returned to teaching. He recalled, “Gals during the War pitched in and did a lot of things, and she was one of them.”

He stayed at Detroit Ordnance until the summer of 1944.

Floyd A. Bond, Economics Professor and Dean

Bond was teaching economics at the University when America entered the war.

“I taught mainly civilians. A lot of them were women, because they weren’t drafted.... A lot of the faculty had gone to Washington. Professor Dean Bowman had gone, Gardner Ackley, Arthur Smithies...just a whole group of professors. Who was going to teach the classes? I always remember Shorley smiling, saying, ‘Well, we have another class that we don’t have a professor for, so we’ll give it to Floyd.’ So I was teaching 15 hours a week instead of the usual eight. At one time, at the peak, I had more than 350 students. And of course they gave me all the grading assistants I could use....”

Merwin H. (Jim) Waterman, Finance Professor

“The war period shook the Business School out of its usual routines, and both faculty and the student body were somewhat depleted.... Many faculty left for war service of one kind or another, and those who were left worked more or less around the clock. It wasn't until about 1943 or 1944 that we received our contract with the Navy to conduct programs for Navy personnel at the sophomore level, to give them basic economics, accounting management and so forth in preparation for final training at the Harvard Business School, which led these candidates to their ensign's commission in the Naval Supply Corps.... The Navy training program began about the spring of 1943, and the BS degree became part of the Navy's pre-supply training program. I was appointed by the University as program supervisor of Navy Supply Corps candidates' courses in the SBA. The program called for in the Navy contract was not completely out of line with the Business School curriculum at that time. Incidentally, many of these students returned to Michigan after the war to receive their MBA degrees.”
By the beginning of the 1930s, Michigan's business students were acknowledged to be among the best at the University. There was, as one student recalled, a "wonderful intellectual atmosphere." Students were trained to become broad-minded yet critical thinkers, and the School's efforts did not go unnoticed by industry. Even during the Great Depression its graduates found employment. The Depression did not dampen America's support for business education, as public appreciation of skilled business leaders intensified. The School continued to grow by expanding programs, honing the curriculum to meet changing needs and establishing "bureaus" to facilitate the School's contact with corporate America. It was during these two decades that the Ph.D. program was formalized, as well as the undergraduate bachelor's in business administration. By the end of the 1930s, with its reputation firmly established, the single biggest problem facing the School was lack of space. But space would have to wait as the School, like the rest of the nation, was transformed into a "war college." When the war finally ended, returning veterans flooded the School, a development that was a portent of enormous future growth.
The 1930s had been years of intellectual strengthening and reputation building for the School. Emphasis was placed on academic fundamentals and ensuring a solid curriculum. The 1940s and 1950s would be a time of tremendous physical growth, and an era of adjustment to the changing needs of a postwar America.

After 16 years as dean, Clare E. Griffin was ready to return to teaching. In 1943, Griffin took advantage of a University regulation allowing administrators "relief" from their executive duties, and he tendered his resignation. Griffin wanted to return to the classroom, and to his academic research.
Michigan alumnus Russell A. Stevenson was appointed Griffin's successor. Stevenson had been dean of the business school at the University of Minnesota for 17 years. He had earned regard as an outstanding leader and possessed the ability to establish cooperative ties between business education and business enterprise. Stevenson also was lauded for increasing Minnesota's business school prewar enrollment to the impressive level of 1,000 students. At Michigan, Stevenson would be expected to make his highest priority a larger "physical plant" for the School of Business Administration. Everything else could wait.

Russell Stevenson was born in Muskegon, Michigan, in 1890. He earned a BA at the University of Michigan in 1913 and a Ph.D. in economics six years later. While completing his doctorate, he collaborated with accounting Professor William A. Paton on the groundbreaking text Accounting Principles. Stevenson taught at Michigan during the 1914 school year and then took a teaching position at the University of Iowa, where he stayed until 1920. Stevenson left Iowa to head the Department of Commerce at the University of Cincinnati until 1926, when he moved to Minnesota.

In 1944 Stevenson came full circle and returned to Michigan where he would stay until his retirement. As fate would have it, his new dean's office in Tappan Hall was just a few feet from the classroom in which he had sat as a student in a 1909 history seminar during his first semester at Michigan. This time, however, Stevenson had more space and a freshly inscribed door that bore the legend "Dean of the School of Business Administration."

He immediately began with practical plans for a new building and laid out a detailed theoretical agenda for the School as well. His philosophy entailed cooperation between the University and the state. Stevenson believed universities should work to serve and promote the industrial and commercial life of the community. This part of Stevenson's legacy would be more fully realized later in his career at Michigan. Once the building was complete, he could turn his attention to curriculum, instruction and research.
VE Day and the GI Bill of Rights

In May 1945, the war in Europe ended with the surrender of Germany. Japan surrendered four months later. America and her veterans were ready to move on. As the U.S. economy grew stronger, the American government continued to facilitate the return of those who had served overseas. One reform initiative was the GI Bill of Rights.

Legislated in 1945, the GI Bill’s primary benefit was opening higher education to an entire generation of Americans, including families who had never before dared to think of college for their children. Record numbers of Americans took advantage of a newly available university education, and the students flooding the University of Michigan were no exception.

Although the School enrolled only 100 students in 1944 (half were veterans of the Army, Navy or Marines), Stevenson recognized enrollment would soon skyrocket and extracted a promise for a proper building from the Regents.

To provide a firm footprint for his vision, Stevenson purchased a site on the corner of Tappan and Monroe streets. He broke ground and oversaw preliminary plans and architectural services. Stevenson kept up the pressure on the University for additional funding to speed the project, outlining the need in his annual report to the President. In 1944-45 Stevenson wrote, “Plans for the new physical plant to house the School progressed favorably...The building is listed as first of the needs in the building program for the University and should be undertaken as soon as additional building appropriations are made by the (state) legislature.”

In 1945, with an order from the Regents, a new building for the School of Business Administration was given top priority by the University’s Director of Plant Extension. It would be the University’s very first post-war construction project.
At the same time, the School’s 1945 enrollment increased to 366. By spring, 628 students enrolled – more than 83 percent of them veterans. Enrollment reached 1,081 in the fall of 1947, with 340 graduate students working toward master’s degrees, making Michigan one of the largest MBA programs in the nation. In addition to regular graduate and undergraduate courses, the School offered training programs for veterans seeking to establish or refresh a small business.

More than anything else, it was the returning GIs that pressed the School to its limits. Tappan Hall was bursting at the seams. Faculty were teaching classes wherever they could find space – in temporary classroom buildings behind the power house and in the Law School. One class met behind the University Hospital near the banks of the Huron River.

(We taught) wherever we could find a place to put down some benches,” remembered one professor.

Unfortunately, the School needed well over $2 million for the new building – a figure that was deemed impossible by the cash-strapped University. The only potential source of funding was the state, but after the war, and more than a decade of depression, the money was not forthcoming.

Stevenson fought hard and encouraged supporters statewide who took up the cause with a passion. A newspaper editorial in 1945 delivered a punch:

A case in point is the University of Michigan School of Business Administration. The School is the most inadequately housed on the Ann Arbor campus. Yet there is no question that the demand for university education in business subjects will be the greatest that the university has ever faced.”

The editorial called for an immediate $1.5 million state appropriation to the University for the building of a facility for the school. (The Evening News, Sault Ste. Marie, 11.19.45)

When the Michigan legislature finally approved the new building, it was as an emergency appropriation bill included in the University’s annual construction program.

This funding enabled Stevenson to commence construction.
A NEW HOME FOR THE SCHOOL OF BUSINESS ADMINISTRATION: From “Red Schoolhouse” to “Modern Office Building”

The cornerstone of the new building was laid on May 24, 1947. University President Alexander G. Ruthven led the ceremony and pronounced it to be the realization of a “hope long deferred” for a young school that had long since outgrown its available housing. “While bricks and mortar do not make a university,” he said, “proper physical equipment can aid in the dissemination of knowledge.” Ruthven praised the School for both its dedication and its growth.

Dean Stevenson had hoped in vain to see the building completed in time for the opening of Fall Semester 1947. Even with frustrating delays, the faculty watched with excitement from Tappan Hall as the imposing $2.5 million structure rose from its empty lot.

The architects had planned a spacious edifice that included a South Wing, an East Wing and a nine-story tower. For its time, the new building was impressive. It boasted state-of-the-art features and provided a morale-enhancing environment after the cramped quarters of Tappan Hall. One trade journal observed glowingly, “Appropriately enough, it suggests a modern office building, marked by the best characteristics of contemporary architecture — simplicity, vigor and suitability for its purpose.” (The Michigan Tradesman, 1950)

The first classes to be held in the new building took place in the South Wing in the winter of 1948.
More important than its architectural significance was the building's symbolic significance. Its completion marked a major turning point in the growth and development of business education at the University of Michigan. It gave a psychological boost to the faculty and students by giving the School the stature and identity it had lacked. The new building clearly signaled the School's emerging reputation.

The quality of the University of Michigan's Business School students was very high, and competition for admission was heated. The School now offered both undergraduate and graduate programs. At its postwar peak, enrollment topped 1,200. Administrators were busy recruiting additional staff and personnel. Stevenson saw it all as a part of his larger plan. He told a local magazine that business education was assuming its rightful place: "This move marks the end of the development period of business education on this campus."

During the past quarter of a century the program of instruction, research and service to the business community has been developed and tested. It has for the most part reached a state of maturity."

Postwar Students: "They Weren't 'Joe College'"

Like the School, students who returned to study after the war had matured. They were more serious and worldly than the young innocents of the roaring '20s and the idealists of the '30s. The post-war student seemed older, and at least one out of every four men on campus had been an officer in the war.

Professor Paul McCracken recalled the sheer number of students and their dedication to academics. "Enrollment was fairly large. It seems to me that more often than not my classes had to be in one of the larger class-rooms here. There were two characteristics I remember: (the audience was) large and I always had students who were older than I (was). I caught the end of the veterans' program," McCracken said.
When Distinguished University Professor Paul McCracken ended his active faculty status at the School in 1986, a story on his departure was ironically titled, "McCracken ‘Retires.’" McCracken, known as a "powerhouse," was difficult to envision in a state of "retirement." Even at this writing, McCracken still reports to his office in the Business School each morning to read the daily financial papers.

McCracken is known for his professional influence and national achievements, as well as his personal warmth and wit. He has served on numerous boards, including the Earhart Foundation, the National Bureau of Economic Research, the leading economic research organization in the country, and the American Enterprise Institute in Washington, DC. He served presidents and advised CEOs, but never lost his sense of humility. He once wrote, "In 1956, during a recess of a conference to which I had just given a paper, a secretary came in breathlessly to say that the White House was calling. The White House, I soon discovered, has telephones other than the one on the President's desk. I soon began participation in the President’s Council of Economic Advisers. President Eisenhower, after talking with me in his office about the job, made an observation: 'The main thing,' he said, 'is always to give us the straight dope. Let's never start out by kidding ourselves.'"

McCracken served as an economic adviser to four U.S. Presidents. He was called to Washington to serve on President Eisenhower's Council of Economic Advisers from 1956-59. He was a member of a task force on domestic economics for President Kennedy. President Johnson unsuccessfully tried to snare him for the Commission on Budget Concept. He returned to Washington to serve as Chair of the Council of Economic Advisers for President Nixon in 1969. In the 1980s, McCracken was a member of President Reagan’s Economic Policy Advisory Board.

One of McCracken’s fond memories was of President John F. Kennedy telling him with a wink, "You don't write like a Republican" while discussing a report McCracken helped to draft.

Despite the prominence of the company he kept professionally, one of McCracken’s hallmarks is unpretentiousness, perhaps borne of his native Iowa. McCracken was born in 1915 and raised on a farm. He earned a BA at William Penn College and an MA and PHD at Harvard. He came to the Business School in 1948, and immediately distinguished himself as a teacher and scholar. At the University just over a decade, McCracken was awarded a University of Michigan Distinguished Faculty Achievement Award, and in 1966 he was one of only five professors selected by the University for a Distinguished Professorship, and named the Edmund Ezra Day Distinguished University Professor of Business Administration.

McCracken has been a director of several companies, including The Dow Chemical Co., Johnson Controls, Lincoln National Corporation, Sara Lee and Texas Instruments. Due to these and many other real-world experiences, McCracken was a popular teacher, and students would pack his lectures. Often they would find his professor had decided to discuss a current economic issue instead of following the syllabus. Said McCracken, "My best hours (in the classroom) occurred because on the way there, I decided not to give the regular lecture."
McCracken also remembered their serious nature. "These guys were not 'Joe College.' They had no interest in delaying. They knew why they were there, and they wanted to get through with it. They were good students. You often had somebody who was doing quite well, maybe finishing up what he had started before the war. You would look back at his record here, and he'd have been a real Joe College and not doing very well, but he was serious when I caught him."

Marketing Professor D. Maynard Phelps recalled fondly the 1940s student body, "The students after World War II were splendid. I never had better students. They were more mature, of course. They had had a very interesting experience. They wanted to do well and get out, get married and have children."

Executive Education —
A Strong Beginning

The School's continued growth and increasing stature began to attract attention from business executives across the state. Many of the executives in the 1940s and 1950s were not able to take advantage of a full curriculum of business study, primarily because so few business degree programs existed in the United States. Even those who were able to study business often reached a point in their careers where specialization was no longer needed, and a broader understanding of the full range of business activity was most helpful.

At first, the Bureau of Industrial Relations was able to meet this need. During 1946-47, the Bureau answered some 250 "technical inquiries" from business executives seeking information on personnel management policies and practices. But Stevenson realized the tremendous potential for executive education and began to offer courses, workshops and conferences. The response was overwhelming.

"The heavy enrollment of students in courses has required the Director of the Bureau (Professor John W. Riegel) to devote an unusually large proportion of his time to campus instruction and has prevented him from engaging in research activities during this period... The Director gave 11 addresses
during the year in seven Michigan cities and in Chicago," wrote Stevenson in his 1946-47 report to the President. Regardless of the Director's time constraints, Stevenson continued to offer a variety of short-term courses at different locations around the state, including the first off-campus credit program.

In the early 1950s, a group of public utilities executives contacted School administrators in the hope of securing a customized training program for top managers. The desire was a course that would teach them to manage their respective operations while keeping in mind the needs and responsibilities of the entire company. For Stevenson, this was a golden opportunity to shift executive training to the campus, and to shape a general curriculum out of small, specialized courses. The program, called the Public Utility Executive Program or "PUEP," would be the first executive development training program for managers from a wider range of businesses including electric, power, gas and telephone. Courses covered accounting, business, enterprise economics, financial administration, human relations, management functions and public utility regulations.

The Public Utility Executive Program succeeded beyond everyone's expectations. The utility trade newspaper, Public Utilities Fortnightly, called the program an unprecedented coup. "Together, the utilities and the School have built the most effective program of its kind anywhere. In the quality of participants and faculty and the scope of topics covered, it has few parallels."

The executives often had been trained as engineers and were amazed and intrigued by the study of business. The professors also enjoyed the program, finding these students challenging and informative because they brought the experience of real-world business complexities to the classroom.

"We professors couldn't teach (the executives) anything about how to run a generating station. But we could teach the philosophical - how, for instance, the economic, social and political forces outside the company influence decision-making - an area in which they were underdeveloped," recalled McCracken.

The School profited on so many levels from the program that it branched out into other areas. A program for 40 Blue Cross-Blue Shield executives was modeled after the PUEP curriculum as was a program for the Michigan Bankers Association. These courses were the precursors of the School's current and prestigious Executive Education Programs.
Business Education in the Postwar Period

The School continued on its path of growth. Enrollment at both the graduate and undergraduate levels continued to increase, and Stevenson started to lobby for additional physical facilities. He increased the budget for library resources, laying the foundation for what would become one of the most extensive business libraries in the nation. He also made provisions for acquiring additional staff, believing the School's strength depended in large part on the members of its faculty. He began vigorously to recruit top candidates, without concern for whether or not they fit into vacant slots, thus maintaining high standards among the School's faculty.

Stevenson also planned to reorganize the School's coursework, and he charged the faculty with a study of the curriculum. Faculty members examined both the objectives and methods of training as they related to the needs of business in the postwar period, and they more clearly defined the graduate and undergraduate degrees. The initial analysis was that the BBA program should become a preprofessional course of introductory work and the MBA should entail specialization.

Despite these changes, Stevenson remained dedicated to the School's original academic mission to "provide basic training for those who plan to enter the business world in positions of responsibility." Stevenson expected his students would someday be leaders in the world of business. "This," he said, "is the real justification for the inclusion of a business school within a university."

Stevenson also shaped small business programs that would set a course for the future of the School. Noting the tendency of other business schools to train students to join large corporations, Stevenson began a small business program in cooperation with the U.S. Department of Commerce. This bold first step eventually would lead to the development of a large entrepreneurship program by the turn of the next century. Then, as now, the goal was to encourage students to "undertake the risks of ownership."
Stevenson wrote: "It would be unfortunate if all the able young men planning careers in business should be so highly specialized in their training that their opportunities for service would be limited to the staff positions in big business. Some of the most able students should be inspired to become enterprisers – to become job givers rather than merely job holders.... Schools of business administration have a responsibility in developing programs that will fill the need for the general business practitioner."

Once the program was established, it provided a model for other business schools nationwide.

The School continued to expand its course offerings. Masters-level classes in controllership and investment banking began in 1947. Classes in real estate were added, as well as a course in retail store management. An internship program in public accounting also was introduced. Stevenson authorized an instruction and research program in business history, focusing on the roots of successful business enterprise. Students followed businesses from their entrepreneurial incep-

tion to the everyday commerce of a successful concern. A few years later, two new degree programs were established in the School: an MBA in Actuarial Science and a Master of Hospital Administration.

Executive Development: Student Stockholders

During the first few decades of the 20th century, the Business School curriculum underscored the business cycle and the pendular swing of corporate prosperity and recession. Overall, the focus was on macroeconomics. After World War II, the teaching staff began to invest students with a better sense of the broader context of business operations. Economics and public policy became more important parts of the curriculum, in the belief that business training must include an understanding of the social, political and economic milieu.

One way in which Stevenson achieved this goal was to invite corporate executives to campus. In 1947, for example, more than 500 business students took part in a mock stockholders meeting complete with the participation of the chairman of General Mills, James F. Bell. Bell brought several key officers to the gathering, including the company comptroller and two vice presidents. The students "exchanged ideas personally" with Bell, according to a newspaper story on the event. General Mills sent advance copies of its annual report to the students, who studied the material and lobbed questions at the executives on topics ranging from labor relations to accounting practices.
"Courses for Prospective Secretaries" — The War and the Changing Role of Women

Before World War II women who wanted to study business were regarded with curiosity and caution by the academic establishment. Administrators at colleges and universities across the nation were not sure what to make of these bold young women who enrolled in academic programs — including courses in business administration.

At the School, women were accepted in increasing numbers during the war years, partly because many of the nation's eligible male applicants had been called into military service, and partly due to the unprecedented demand for "womanpower." Suddenly, industries and companies such as banks and public accounting firms that traditionally resisted the employment of women were "energetically seeking" women to fill their ranks.

The University of Michigan Business School addressed this trend in a 1943 statement "on the need for trained women in business":

...it is emphasized that the range of opportunities open to women is now much broader. As a result of current needs, women are now being sought for many occupations to which ... they could previously gain admission only in small numbers and with great difficulty.

The statement went on to encourage women to study banking, finance, accounting and statistics.

At the same time, Dean Griffin established a secretarial program specifically for women students. The School hired Irene Glazik Place to head the program and gave her the rank of assistant professor of secretarial training. Place had a master's degree from Columbia and a Ph.D. in education from New York University. The program's brochure reflected the transitional culture in which women found themselves. The secretarial program may well have provided a necessary bridge between traditional clerical functions and women's newly acknowledged professional abilities and ambitions.
The brochure for the program read:

Today, many positions open to college women with executive ability require the combination of a college degree, an academic background, a general business background and professional secretarial training. Studies show that a great many more women possessing this combination of training are needed than have been available to the business community. . . . courses are offered so that a student may, in the junior or senior year, combine some professional secretarial training with a general program in the School of Business Administration.

Women would indeed make great strides in the world of business, and in academia, but it would not be until the 1950s that men and women both were actively sought by corporate recruiters. In 1958 a chapter of the national women's business association was established on the University of Michigan campus. In the early 1960s the Business School's secretarial program was phased out of the curriculum and into the annals of history.

‘Adaptable to the Changing Needs of Business’

By the end of the 1950s, Stevenson was ready to retire. He had guided the School with a sure hand through the postwar period.

Detroit banker and School alumnus Raymond T. J. Perrin summed up Stevenson's tenure with these words: “The obstacles were formidable, but he overcame them one by one and with a rare combination of drive, diplomacy and stubbornness. The fine, modern, well-equipped building that resulted has been a valuable asset in the School's expansion and development. He built wisely in other ways too — a strong, well-balanced faculty, and an education program that was progressive and adaptable to the changing needs of business.”
The 1940s and 1950s were decades of exponential growth for the University of Michigan Business School. The School established cooperative ties between education and enterprise, as well as between the University and the state. The postwar years witnessed the expansion of facilities, enrollments and programs. Executive education took hold, and entrepreneurship was encouraged. Women gained recognition as viable professional students. Sustaining this momentum, ensuring the quality of the School's programs and responding to a rapidly changing and restless society would emerge as the primary challenges during the coming decades.
In 1960, the School was on solid ground. Its physical plant was adequate, and a program of instruction, research and service to the business community had been developed and tested. What had not yet been tested was the School's ability to continue to mature during a time of political turmoil and social unrest.

When Dean Russell Stevenson retired in 1959, the Regents appointed Floyd A. Bond as dean of the Business School. Bond, a University alumnus, was living in New York and directing the Business Education Division of the Committee for Economic Development. After some convincing from University President Harlan Hatcher, Bond agreed to enter the dean's office on January 1, 1960.

Bond was known as hard working and conscientious. These were traits he had acquired when growing up in Pontiac, Michigan. He completed high school during the Depression and enrolled at the University of Michigan, having initially decided to become a banker. In
1932, however, he was forced to drop out because his family had no money for tuition. Bond spent three years working to help support his family. They had been farmers, and Bond helped his father grow seed potatoes and performed other odd jobs.

After seeing the effects of the Depression firsthand, Bond no longer wanted to be a banker and decided instead to study economics. He received his BA, MA and Ph.D., all in economics, from Michigan, where he taught from 1938 to 1946. Bond then moved west where he taught at Carleton College in Minnesota, Pomona College and the Claremont Graduate School in California.

Bond enjoyed his career as an academic and, in his initial interview with President Hatcher, Bond said if he took the post at Michigan, he wanted to spend "a third of [the] time in administration, a third in research and a third teaching. I thought, what better job could you have than that," Bond recalled years later.

The reality was quite different. For the two decades through which he led the Business School, Bond was entirely consumed by administrative work as the School grew both in size and scope and confronted some very serious issues. Among those issues were student unrest and the demand for a commitment to increasing minority enrollment.

Although the U.S. economy was in good shape, pressure on the national education budget was greater than ever, with millions of baby boomers entering colleges and universities. For the first time in U.S. history, a college degree had become a requirement for many jobs, replacing the high school diploma of a generation before. Many were earning college degrees and more were going on to graduate degrees. The standards of professional and vocational studies were rising as well.

Bond set the goal early in his tenure to make the School "one of the principal intellectual centers on campus." In this pursuit, he faced a range of challenges. First, the postwar boom had peaked and enrollment was languishing. Second, the curriculum needed attention in both the undergraduate and graduate programs. Third, the pinch of severely reduced state appropriations was beginning to be felt, a harbinger of what
would become a full-scale budget crisis at Michigan. Bond also had to deal with admissions standards, faculty recruitment and – because he foresaw yet another leap in enrollment – the need for facility expansion.

Despite these concerns, Michigan MBAs were in demand. During the early 1960s, more than 80 percent of the MBA students accepted positions upon graduation. The remaining 20 percent either entered the military or pursued higher degrees. One of those years saw more than 450 recruiting visits by companies to interview 369 students. The median starting salary for an MBA graduate was $8,100 in 1964.

Letters from recruiters to the Dean were complimentary:

"... I think you'll be pleased to know I found more talent per person on that list than at any school I visited this year..."
"... I can honestly say the general caliber of MBA students at Michigan is the highest I have ever seen..."
"... Bob and I found six of the most exciting candidates at Michigan that I saw anywhere this year. Not only were their records first class, but they appeared to be ideal fits for this business. In all my visits to MBA schools, I have never found a cluster quite like that on any one visit..."

During his tenure, Bond was able to meet some of the most serious challenges. He saw enrollment increase by 25 percent in the late '60s and early '70s. Six percent of these students were now women. And the number of applicants to the School continued to grow.

Curriculum Changes

Accompanying this growth was a fine tuning of the School's curriculum. When the faculty concluded their curriculum study, their recommendations encouraged the administration to continue the school in its current direction. The faculty were pleased that courses had been designed to develop the student's analytical ability "rather than to cram his head with factual details." Furthermore, they supported offerings that reflected current trends in business education. But additional and updated courses were needed, and by 1967 the School began seriously to revise its MBA and Ph.D. programs.

The new MBA program emphasized problem-solving and decision-making, and a strong understanding of the economic and social milieu in which businesses operated.
"... I can honestly say the general caliber of MBA students at Michigan is the highest I have ever seen..."

This was consistent with the existing curriculum, but was also updated to meet the ever-changing demands of the business world. The restructured program included a course in "Business, the Economy and Public Policy," designed to give a thorough understanding of the American business environment on a national scale. Students also would be required to take "Analysis, Planning and Control," which studied the use of information and analytical tools. And "Human Behavior and Organization" would offer expanded treatment of personnel management and organization theory. The School began to emphasize the role of psychology in business and involved the Institute of Social Research and the University's Psychology Department.

The faculty implemented an international dimension of the curriculum, and students also were required to learn computer skills and data processing.

Finally, an entirely new capstone course in business policy would be taken during the student's final semester and would integrate all the student's previous study. This was a key change that set the stage for the future of the MBA program, since it underscored the value of a general business degree and emphasized Michigan's commitment to creating well-rounded business leaders, rather than graduates with a narrow and specific focus.

The Ph.D. program was aimed at preparing students for successful academic careers and for research-oriented careers in business and government. The revised program promoted a new approach. Doctoral students would gain a greater depth of specialization and the opportunity to concentrate in a chosen area. A new emphasis was placed on creative research and teaching methods.

Executive education also was successful, growing and becoming an increasingly important element in the School's range of activities. Impressed with the success of executive education programs in the early 1970s, Leland J. Kalmbach, a 1923 alumnus of actuarial mathematics, and his son Dohn, an MBA alumnus, donated funds to the Business School for the purchase of a former sorority house on Washtenaw Avenue. The building became the Kalmbach Management Center and housed the School's Executive
policy shift in the late '60s required all evening students to be formally enrolled in the MBA program, and the same standards were applied to both day and evening students. This benefited both the students and the School by enhancing the prestige of the curriculum and the degree. Students flocked to the evening MBA program, with 370 enrolled by the end of the decade.

Student Unrest at the UM

As the faculty struggled to meet the increasing educational and fiscal challenges of a changing society, the students were changing as well. The Joe College look was emphatically replaced by faded jeans, long hair and rock music. Coed dorms were approved on campus
for the first time in 1963. President John F. Kennedy announced the establishment of the Peace Corps from the steps of the Michigan Union that year. University student Tom Hayden drafted the Port Huron Statement, which brought national prominence to Students for a Democratic Society. Within the decade Michigan would become one of the nation’s hot spots of student activism.

Lyndon Johnson assumed the presidency following John F. Kennedy’s 1963 assassination. Johnson promised to continue Kennedy’s policies and, following his 1964 election, instituted widespread domestic reform, including the Civil Rights Act, a war on poverty, aid to public schools and the Medicare program. In 1964 Johnson delivered his Great Society address to more than 80,000 people at Michigan’s Spring Commencement.

The Vietnam Era

Very soon, the war in Vietnam drained critical resources from these nascent social programs. The war escalated throughout the 1960s, and by 1967 had become a major conflict. The nation was deeply divided as the more radical advocates of peace agitated for the withdrawal of troops from South Vietnam. College students were among the most vocal proponents of that position.

Business School students were not immune to these concerns. In 1965, the lead article in the School’s student newspaper, The Monroe Street Journal, joked about student reaction to the war and the military draft with an undertone that was deadly serious.

Our Graduation Plans for You:

- Physical requirement: warm body
- Description of position: hazardous
- Location: semi-tropical country
- All training furnished by employer
- Steady pay with fringe benefits
- Don’t write us — we’ll write you.

The article continued, “The main body of opinion in this School can be best described as pragmatic. This corner of campus has not seen anyone sitting in or burning draft cards. (We are) making the best of it, which includes
everything from [utilizing student services] to enlisting in a low-priority reserve unit if one can be located. Nobody seems to be waiting around to be drafted… In the final analysis, it seems there is no single correct solution. Each individual must choose one of the many alternatives available based upon his own unique situation.”

Students also were aware of corporate attitudes toward the draft. Many students did not bother to interview for jobs, cognizant that they would be drafted upon graduation and that companies often were not interested in employment until a student’s service obligation was out of the way.

By 1969 antiwar demonstration was at a fever pitch across the country. Students organized a Vietnam Moratorium rally at Michigan Stadium, and all students were urged to strike, demonstrating their support for ending the war in Vietnam. Days before the rally, Bond received a petition signed by more than 40 percent of the School’s BBA and MBA students asking him to support the strike – and to cancel classes for the day. Bond was deeply opposed, but he was able to offer what he called a constructive alternative – an independently sponsored colloquium on “Business and the War.” More than 350 faculty and students attended.

Although the situation on campus and in the School was always – if barely – under control, Bond recalled in later years that the period of student protests was the most difficult of his tenure. He said, “It was a traumatic time, because we didn’t know if our ‘house’ would be there when we came home. It was serious.” Tension ran high at Michigan and on campuses nationwide, and student antiwar demonstrators often disrupted campus life.
Black Action Movement (BAM) Strike

Across the U.S., African American frustration with inequality reached a boiling point in the 1960s. Until then, expressions of protest had been nonviolent; but by 1964 the unrest spilled out onto the streets, riots erupted in many large northern cities. College students took up the cause, asking for better job opportunities, improved social services and better education for minorities. Michigan was not invulnerable to these demands. Minority enrollment remained low.

In January 1970, students asked the Regents to increase minority enrollment, specifically that of African Americans. Dissatisfaction with the lack of Regental action sparked several weeks of student strikes focused on the minority enrollment issue. The strikes were led by the Black Action Movement (BAM), and protestors shut down the entire campus. There were both peaceful and not-so-peaceful demonstrations. Inside the Business School, nonviolent marches were led by BAM supporters. At the same time, BAM activists outside the school were chalking graffiti on the sidewalks and walls. As one staff member recalls, "I do remember getting a telephone call saying the BAM group was headed for the Business School. We were told to lock all the doors except those at the front entrance. Once the demonstrators reached the front lobby, they swarmed through the doors and turned over the metal wastebaskets and the large canister ashtrays. Using the canisters as drums, they began cheering loudly. I remember the fires in the trash cans and even some smoke bombs being set off. They filled the building with a horrible smell.

"We did receive a couple of bomb threats but I don't remember ever being sent home.

"Though it was a pretty frightening time, I don't think we feared for our lives. We just tried to keep it business as usual, but we practiced the buddy system at all times. It was an experience I will never forget."

Bond struggled to keep the Business School functioning, but the School seemed to be a particular target for the protestors. He suggested the School was a target because it was seen as representing the "establishment." Unfortunately, the facts bore this out: In 1970 there were two Black MBA students in a class of more than 400. The School did recruit minority students but its efforts were ineffec-
tive and inadequate. African American students who were enrolled expressed frustration that, among many other challenges, they had to fight to be admitted, and this made other African Americans hesitant to apply.

These were serious issues and they generated sharp differences of opinion within the Business School community. Some members of that community believed that Dean Bond, like the University's President, Robben Fleming, was too conciliatory. Others believed that Bond was not responsive enough. "We kept trying to keep it nonviolent. That was our objective. That's why the police couldn't come, because if they had started arresting, we would have had a Kent State." Bond later said.

The strikes and demonstrations eventually came to an end, and throughout the following decade the School made an effort to improve minority recruitment and retention. Bond appointed an ad hoc committee to examine education programs in business administration for African Americans and to explore ways to attract minorities to the School. The Business School also developed a joint program with Tuskegee Institute, a historically black college, and Michigan faculty taught courses there.

One of the results of the student strike was the formation of African American student organizations within the University. The Black Business Students Association (BBSA) was formed to meet an organizational need within the School, to champion and ensure African American student success. BBSA's immediate goals were to elevate academic performance, increase retention and enhance the total number of African American students at the BBA and MBA levels. BBSA was one of the first organizations formed in the United States by African American students for African American business students. It was successful in achieving many of its goals. One of the organization's early initiatives was to sponsor an annual African American alumni conference to showcase stories of outstanding business achievement. The conference continues today and is one of the top student-run business school conferences in the nation.

Visiting Committee

With the hope of bringing fresh perspective to the School and of forming closer ties between the School and the business community, an advisory Visiting Committee was organized in 1969. Bond hoped the Committee would assist the dean and the School's administration with future direction and development of the School. The group consisted of top corporate officers, presidents and CEOs. They met twice a year for a full day and applied themselves to the School's present problems and future undertakings. The first committee included executives from General Motors, Standard Oil, Upjohn, Clark Equipment Company,

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1 On May 4, 1970, four students were killed and nine wounded at Kent State University in Ohio when national guardsmen, called in to disperse a student antiwar demonstration, fired on the crowd.
Chrysler, Ex-Cell-O and American Electric Power. The Visiting Committee grew to include representatives from many other corporations across the United States.

Bond recalled, “First, we’d tell them how good we were, and all we had achieved, then we’d tell them what our problems were. We would reserve most of the time for the problems. I was amazed at these executives… coming up with brilliant ideas. They were wonderful individuals, and when they came to campus, we treated them right.”

Groundbreaking: Assembly Hall

In the winter of 1967, Bond made his strongest statement regarding the need for more space. The winter Bulletin of that year included this passage:

“While noting the School’s tremendous progress in many areas of instruction and research, Dean Bond sounded a note of warning for the future: that provision will have to be made for the expansion and integration of physical facilities which will permit the School to double or triple its present instructional and research programs, or these programs must be stopped at approximately their present level.”

Bond expressed the fervent hope that circumstances would permit the School to maintain its strong upward course. But it was becoming clear to School administrators that the state would not be able to finance the burgeoning need for space. Proposals for a new facility (Assembly Hall) indicated the building would cost $1.5 million to complete. Serious fundraising had to be undertaken if the building was to become a reality.

Bond began the financial campaign. Over the next few years, he raised more than $1 million and was able to break ground for the building in 1971. His first donor was LS&A alumnus Clayton G. Hale, who pledged a $325,000 gift. Assembly Hall became the School’s first major building project since 1948 and the first to be financed entirely by private contributions. The new structure was located adjacent to the Business School in the quadrangle bounded by Monroe, Hill, Tappan and East University Avenue. In addition to the 450-seat Hale Auditorium, Assembly Hall
included an executive board room and an adjoining lounge, named for D. Maynard Phelps, along with guest speaker facilities, conference rooms and offices.

The next facilities project undertaken during Bond’s tenure was the William A. Paton Accounting Center, also financed through private gifts. The 14,000-square-foot Paton facility offered space for classes, seminars and conferences, and was completed in 1976.

Internationalizing the School

In the early 1960s, the School’s faculty began to put greater emphasis on the international aspects of contemporary business. The School was awarded three Ford Foundation grants and later established the Institute for International Commerce with direct support from the state. In 1960, Bond appointed an International Business Committee to help integrate international business studies into the regular curriculum.

Throughout the ’60s, the School maintained a steady pace of international visitors and programs. The offerings were diverse and included a Venezuelan student leader seminar, the establishment of a chapter of the student-run educational foundation AIESEC (Association Internationale des Etudiants en Sciences Economiques et Commerciales), a visit by a 50-member delegation from Sweden’s Gothenburg University and strengthened relationships with academic institutions in the Republic of China.
M Go Blue Alumni

The Alumni Bulletin was the first publication that went out to the School's alumni, who numbered 10,000 by the end of the decade. In 1969 the Bulletin was transformed into the School's alumni magazine, Dividend. With the new full-time editor, Pringle Smith, the magazine took off. Staff were soon receiving requests by alumni to be placed on the mailing list. Very quickly, the administration discovered the School's alumni were enthusiastic and ready to help. The contribution to be made by alumni over the coming decades would play a formidable role in the School's continued growth and success. In 1970, the School appointed an alumni relations director and began a cross-country communication network for conferences. The first meeting of the Michigan Business Alumni Association of New York was held in 1972, and the California chapter met a few months later. These two chapters were the first links in what would become a global network of Michigan Business School alumni.
The 1960s and 1970s produced a demand for higher education that was greater than ever before. Millions of baby boomers entered the nation's colleges and universities, and for the first time in U.S. history the college degree replaced the high school diploma as a requirement for professional success.

Michigan's new MBA program emphasized problem-solving, decision-making and an understanding of the socioeconomics of business. During this period, the School also reached beyond the Ann Arbor campus to offer classes in Grand Rapids, Midland, Detroit, Flint and Dearborn. Across the nation – and on campus – serious national concerns were being vented in social and political unrest. As the 1970s came to a close, the Business School emerged with more maturity, higher rankings and increased connectivity with the real world. An emerging, international emphasis would play a critical role in the School's future development.
loyd Bond stepped down as dean in 1978 after serving the School for nearly 20 years. He decided to return to teaching and was named Donald C. Cook Distinguished Professor of Business Economics. During Bond's tenure, faculty and student enrollment had doubled, two new buildings were added and new degree programs developed. The School had emerged from an era of turmoil with a confidence and maturity that would serve it well in the years ahead.

Bond's successor would face challenging demands. The concerns of the 1980s were historically different from the concerns that had faced the School's early leaders. The 1980s would be marked by severe budget constraints as state support for the University declined and inflation rose. In addition, Michigan's legendary automotive economy encountered serious difficulties.
The new dean would have to find innovative and creative ways to increase the School's financial resources. With assets that included a strong curriculum, a research-oriented faculty and connections to major national and international corporations through alumni placement, the School was poised for quantum growth. But the ability to secure funds would prove to be a major challenge in the coming years.

In 1977, Professor Emeritus Paul McCracken was named chair of the search committee for the new dean of the School. The committee first considered the goals and long-term needs of the School. Securing and enhancing financial resources were not only a priority, they were a necessity. But the issues driving the selection of the candidate went far beyond money. “The School had a good reputation at that time,” McCracken said. “It was a solid institution. We wanted someone to develop the School in a way that would increase its stature. We knew it would take money. But more than that, we wanted someone with a vision of what the School could become, and with the ability to secure the means to build that vision.”

In the initial search for a new dean, the committee looked internally for candidates, then at other universities, in government and in the larger business community. “It was fresh in our minds that Arjay Miller (former president of Ford Motor Company) had become dean at Stanford. We wondered if there was an Arjay Miller in our future. We came up with some good names. We finally got down to a shorter list but were disappointed that we weren’t coming up with anyone who really grabbed us.”

During a meeting in New York, McCracken was approached during a coffee break. He was asked how Michigan’s search was progressing and McCracken expressed his frustration. The guest, also a university professor, sympathized and told McCracken about the dean of business at Texas Christian University, Gilbert Whitaker. At McCracken’s urging, University President Robben Fleming traveled to Texas to meet with Whitaker. The meeting went so well that Whitaker was asked to visit Ann Arbor.
"Halfway through the day I noted that while I thought (Whitaker) came to Ann Arbor for us to interview him, it seemed rather that he was interviewing us," McCracken recalled. "He asked about the School, the kinds of things that needed to be done, the weaknesses and so forth. Not in an offensive way. He was very low key, as we all know. I don't remember all the details, but I do remember that interest in Gil rose sharply during the day." Within a short period of time, School officials, working with the University administration and the Regents, were able to make Whitaker an offer - and he accepted.

Gilbert R. Whitaker Jr. had been dean and professor of business economics of the M. J. Neeley School of Business at Texas Christian University (TCU) for several years. Whitaker was known as an economist with proven ability as an administrator and program developer. While at TCU, Whitaker was instrumental in achieving faculty development and in securing local funding. He authored a 10-year financial plan for the Neeley School and was able to bring high-level representa-

tives of the local business community on board for support.

Born in 1931 in Oklahoma City, Whitaker received his bachelor's degree in economics and business administration at Rice University. He was in the Reserve Officer Training Corps during college and had to fulfill a three-year obligation to the Navy, where he achieved the rank of Lieutenant (j.g.) and served as gunnery officer. Already married, Whitaker finished his tour of duty and returned to academic life. He spent a year doing graduate work at Southern Methodist
University and joined the Ph.D. program in economics at the University of Wisconsin. Whitaker taught at Northwestern and at Washington University in St. Louis and served as a consultant to the Council of Economic Advisers and as senior economist to the U.S. House of Representatives.

Whitaker arrived at Michigan in January 1979 and hit the ground running. There were immediate political and budgetary issues to tackle and new faculty to be hired to meet growing student demand. He also had to spend time getting to know his new colleagues and earning their confidence.

After a few months of studying the situation, Whitaker drew some important conclusions. He understood the School had significant strengths, including an excellent faculty, a supportive administration and an outstanding university environment. He also discovered some weak points, including a shortage of faculty in key areas, a limited financial base, strained facilities, a library that needed attention and a need for innovation in the curriculum.

Whitaker also believed that strengthening the connection between the School and the University would be beneficial to both. He found the School to be a “separate little place” located at the world-class University of Michigan but not connected to the intellectual bounty of the larger academic community. Whitaker would work to develop those links, and by the end of the decade the School would enjoy powerful interdisciplinary connections, both in research and among the faculty.

"I felt (the lack of connection) was a great loss to the School because Michigan is such a great university...It was important to me to build some joint programs, where students [could] develop specialized knowledge," he said years later.

Whitaker began to expand, during his tenure, what grew to be 17 joint degree programs. Ultimately, multiple joint degree programs were formed with the College of Engineering, Architecture, Chinese Studies, Japanese Studies, Public Policy, Natural Resources and Environment, Naval Architecture and Marine Engineering, Nursing, Social Work and Music.
Whitaker would accomplish nearly all his other goals as well, and all in his trademark, low-key style.

"Some have said that I'm an 'iron fist in a velvet glove.' I don't know. I'm pretty persistent and determined, but I don't yell or shout. I just keep pushing on the issues until I find a way to get (them) resolved. I always try to find solutions from which there are mutual benefits... a way to get through issues in which everybody benefits to some extent," Whitaker said.

His colleagues would agree with his self-assessment. Professor Emeritus Mary Bromage remembered that Whitaker came in quietly but made his presence felt. "He didn't enter the classroom intellectually so much. At first he was getting his bearings. He made some good appointments and secured worthy promotions for the administrative officers. He was quiet, what I would call a 'shirt-sleeve dean,' meaning he would come to the faculty lounge with his own brown bag lunch and we never felt we had to stop discussing controversial issues — and that is where we did it. We knew it was not on the record. Gil would sit and listen. We didn't feel we had to defer to him either. When he made a decision, then it was announced and successfully implemented," Bromage said.

A Little Memo: Master Plan for a Decade

To invite feedback and clarify his goals, Whitaker decided to put his plan into writing and prepare a goal statement in the form of "a little memo."

The statement talked about strengths and weaknesses and opportunities within the School. For Whitaker, it was important the document not be viewed as a mandate. He made it clear if the challenges he set forth were not acceptable, he would begin again. He distributed the paper to the School's Executive Committee and to a small group of professors, inviting feedback. One of these individuals was a brand new associate professor, Joe White, who would later succeed Whitaker as dean.

Whitaker recalled, "(White) was a very dedicated guy and really wanted to see things go well. He really helped me put things in perspective."

For three solid weeks Whitaker worked on the memo, rewriting and reworking. Finally, it was ready for faculty review. Aside from a smattering of dissent, the faculty accepted Whitaker's analysis as a fair representation of their own hopes and goals. Thus empowered, Whitaker moved full-steam ahead. It would turn out that the challenges he raised in this early document were the same challenges that kept him busy for the decade he spent leading the Business School.

One of Whitaker's overriding goals was to place the School in the pantheon of the nation's top three business schools, a challenge
that some felt was too extreme. Whitaker explained why he set this goal: "Two or three faculty came up and said, 'Well, that seems too extreme. Why don't you say top five?' I said, 'Well, if you say top five and you miss it, you'll be below the top five. If you say top three and miss it, you might still be in the top five.' I wanted it to be a stretch kind of statement. I don't know how you measure that anyway, but it's something that really colors your daily decision-making, because it's easy to sell out if you don't have the high aspirations. If you have high aspirations, it can be an influential thing."

Whitaker also set a goal to improve the Ph.D. program, to enhance the MBA program and to strengthen the undergraduate program. He wanted to boost minority enrollment, find funding for seriously needed new facilities, improve the admissions process and open a development office. He also wanted to raise faculty salaries.

'Hard Times at the U of M'

Visitors to the School in the summer of 1979 were greeted by plastic sheeting, bricks and construction. With increasing enrollment, the only expansion option available to the cash-strapped School was to renovate existing space. Classrooms were converted into case rooms and computer rooms, with new IBM Series/1 minicomputers (part of a $600,000 consulting agreement between the University and IBM). The dean's office was remodeled to accommodate an associate dean, an assistant dean and the new director of development.

It was clear these were simply temporary solutions until real progress could be made. For the newly ensued Whitaker, establishing a financial base for the School would be the primary – and perhaps the greatest – challenge of his tenure.
State appropriations to the University's general fund fell to less than $56 million in 1981 – $17 million less than one decade before. An interview printed in the Ann Arbor Observer in 1981, titled 'Hard Times at the U of M,' quoted then-University President Harold Shapiro in defining the crisis as the "most difficult fiscal challenge the University has faced in the last 20 or 30 years."

Across the University, schools and divisions managed by belt-tightening measures such as deferring all but the most urgent maintenance, severely limiting expenses, reducing the number of non-academic staff and slashing faculty salaries. Beyond these explicit measures, there was a real, if implicit, fear among faculty and the administration that Michigan would lose its footing and fall behind the other top American universities. Across the state, many Michiganders wondered if the state itself would ever recover.

At the School, Whitaker stuck to his 10-year plan. He struggled to retain quality teaching and research programs while juggling professors to teach record numbers of new students.

He knew the University was unable to help him meet the School's financial needs, so he began an aggressive internal campaign to cut costs and, at the same time, began to solicit private endowments to support professorships, scholarships and research. Although top private business schools had been successful at alumni and corporate fundraising, Michigan's Business School had done very little in this area. "It just wasn't the way things were done at a public school like Michigan." But Whitaker was going to change that. Almost immediately upon arriving at Michigan, Whitaker established a development office to spearhead the School's fundraising activities. "It was clear we were going to need new facilities, and the University was not going to fund them. We needed money for all kinds of things, and we knew we had to get help. The School had never asked its alumni in a sophisticated way for support," he said.

In the early months, the School's new development and alumni relations office concentrated on two activities: planning a comprehensive development program and establishing good organizational procedures. Its director, Anneke Overseth, studied development programs at other business schools to determine the best fundraising strategies. Alumni records and gift-receiving procedures were transferred into the central University database, providing the School with accurate reports. And Whitaker set goals of doubling charitable revenues within three years and doubling the number of alumni contributors.
Much to his delight, Whitaker discovered strong internal support. About half of all faculty donated to the School in 1979. And a newly established Student Pledge Program for graduating MBAs and BBAs was successful.

The hard work paid off. After two years, total private giving to the School did, in fact, nearly double. Success gave Whitaker the confidence to begin what would be the School’s largest ever fundraising campaign – with a goal of $15 million.

The $15 Million Campaign

When asked in the 1990s how the $15 million campaign of the 1980s originated, Whitaker supplied a simple answer: no other choice.

“The state was in terrible financial condition. It was a period of high inflation and low state appropriations... The University was planning a campaign to raise $160 million, and I had conversations with (University President Harold Shapiro) about the (Business School’s) need for space. He said, ‘If you can raise the money, you can do it.’ I was just naïve. I thought we had a good cause. I didn’t know whether we would succeed or not, but I was really going to give it a try. Other places had been successful at fundraising, and I thought there was an opportunity here to do it. We had to raise money to build the buildings. We needed the buildings to run the programs, and so it was really a ‘must do’ as far as I was concerned.”

When Whitaker wrote his annual report in 1980, he didn’t pull any punches:

“A major objective of the Business School is to create a new ranking among America’s outstanding business schools and to move to their lead by the end of this decade. Our goal is to be among the top three graduate schools in the nation.

“We hold a strong position now because of excellence in three areas: an outstanding curriculum, a research-oriented faculty and extraordinary contribution to major national and international corporations through the placement of exceptional graduates. The way any school fares in any particular ranking effort depends to some degree on the dimension measured. We have done reliably well in all dimensions.
"It is this historical position of strength that gives us the power and potential to reach for the highest goals. To this end, a plan for action has identified challenging but achievable goals. We have identified faculty and program needs and have initiated a first level of change... Our basic resources — the faculty, administrators and students — have changed in significant ways, have made a telling impact on our future prospects... A strong partnership of foundations, corporations, alumni and friends is essential to success in these exciting aspirations."

He was rallying support and sounding the call to the School’s faculty, staff, students, alumni and friends that he would be attempting a major capital campaign. The funds would go for three new buildings: a library, a residence for executive participants in the Division of Management Education and an Executive Education Center that would also house new computing facilities.

In 1982, Whitaker announced: “A major capital fund campaign for the School has been approved by the Board of Regents of the University.... The School plans to raise $15 million.”

Years later, Whitaker admitted, “The $15 million doesn’t sound like a lot now, but it sure sounded like a lot of money then.” He had confidence he would succeed. This bravado, however, was not immediately contagious. Paul McCracken recalled the situation. “(Whitaker) came in when the state’s economy was pretty low, and with surprising speed he organized a financial campaign because he said our facilities just were not adequate... Everybody felt that with the state’s economy as bad as it was, you couldn’t raise $15 million.” But, McCracken later noted, “History speaks for itself... In a day when no one could raise $1 million, Gil set out to raise $15 million and ended up raising $17 million.”

The campaign got off to a strong start. So strong, in fact, that at the same time Whitaker announced the initiative, he also announced that ground was being broken for two of the
new buildings – the library and the executive education facility.

In the first five years of Whitaker’s deanship, annual alumni giving (undesignated Annual Fund gifts) increased by over $200,000 to a total of $630,000. In the same period, total annual private support for programs at the School grew from $553,000 to $4,825,000, and the number of donors increased from 2,317 to 6,400.

Library Resources and Executive Education

The library’s facilities had not been updated or expanded since the 1940s. Fundraising for the new library building was bolstered by nearly $3 million in gifts from the Kresge Foundation. Construction on the building commenced in 1982, and the Kresge Business Administration Library building opened in 1984.

That a new library was needed was obvious, but pouring $10 million in capital into executive education surprised some observers. It didn’t seem in line with the School’s mission of educating the business leaders of the future.

Early on, however, Whitaker wisely targeted executive education as an area full of untapped potential for the School. In a memo to the School faculty and staff, Whitaker wrote, “It is my belief that management education programs will have increasing importance for the School over the next decade.”

For Whitaker, the importance of executive education was tied to three factors he believed would impact the future of the business world and therefore the Business School: the technological revolution, changing demographics and intensifying worldwide competition.

“There are a lot of challenges in these forces on which business and business schools need to work together. Part of the reason for our increase in executive education is to deal with these forces,” Whitaker told the Michigan Alumnus magazine in 1984.

His focus on executive education would move the School to the forefront of meeting the changing needs of business by re-educating executives and enabling them to keep pace with the fast-moving corporate world.

The Division of Management Education was not new at the School. Originally part of the Bureau of Industrial Relations (which later became part of the University of Michigan Business School Executive Education Center), the Division had flourished during the years since its inception in 1935. The Division offered a range of seminars, conferences,
workshops and executive development programs. Executive education at Michigan consistently ranked as one of the nation's top programs of its kind. In 1979 and during the first half of 1980, more than 11,000 executives enrolled in the program.

Despite these encouraging trends, executive education was not on sure ground at Michigan. Though it grew, it tended to do so in fits and starts. Most of the participants came from the ranks of management at Fortune 100 companies. There would be a need to cast a wider net and encourage participation from mid-size and small business owners. And most participants hailed from the Midwest—heavily from among employees of the Big Three (Ford, General Motors and Chrysler). The program would have to lure additional participants from across the nation and around the world.

The Division did have a strong foundation. One of the key ingredients of the Division's continuing success was increasing the level of faculty participation. This not only enhanced program quality for participants, but also provided the faculty with a real-life forum for their research. Executives learned about the most up-to-date management practices, and the professors received feedback from their audience of practitioners.

In the 1990s, management education would grow to be one of the nation's biggest educational operations. And Michigan became an acknowledged leader in corporate partnering and executive education. A 1997 Business Week article ranked the School's "corporate education" among the nation's best. The School's Executive Education program was number 1 in human resources, number 3 in general management and number 2 overall.

Focus on Quality

Historically, the School held a position of strength among its peers. Now that the School was on firmer financial footing, it was time to press forward with even higher aspirations.

The situation was good in many areas. More than 600 undergraduate and 1,500 graduate students—about double the student body of a decade before—were enrolled. The School's BBA program was chosen as one of the best undergraduate programs in the
country by both personnel executives of Fortune 500 companies and by the deans of accredited business schools in America (survey by the University of Virginia, Human Resource Management, Spring 1980). Throughout the 1980s and 1990s, Michigan's BBA program has remained at the very top of all such programs in the nation.

On the faculty front, the School had more than 90 faculty teaching in 11 areas of concentration. Whitaker was able to add 18 new faculty in 1980. This was a significant move. He recognized great faculty as "the basis for our enduring strength" and encouraged all faculty to devote more time to research.

In the 1982 Update, Whitaker wrote, "Forbes magazine quotes Eliot Schland as saying, 'Talent pools at the University of Michigan...give the Great Lakes area the makings of a new Route 128 or Silicon Valley, but with more diversity.' Diversity is a good strategy in times of great change, and it is a characteristic of this business school. The faculty are given...highest-ranked teaching ratings. This faculty offers a great variety of teaching methods and experiential learning opportunities, as well as a wide range of personal styles, political orientations and views on business policy and practice. This faculty also handles a more diverse teaching load than is common in other top-ranked business schools, because it teaches in the undergraduate program, in continuing management courses for executives, in graduate courses for MBAs and Ph.D.s and in evening MBA classes."

Whitaker had to ensure that academic programs met the needs of the current business environment. Administrators reviewed the BBA and MBA curricula to ensure flexibility; and the MBA degree program, especially, was revised to allow greater freedom for choosing an elective in the first year.

New courses were added, including a course on production management topics, which was meant to appeal to students attending a university in America's industrial heartland. Whitaker also added a course called Self-Assessment and Career Development, which looked at the process of matching an individual's career with the organization's
staffing needs. The doctoral program also was adjusted to accommodate the goals of the individual candidate, and Whitaker placed an increasing emphasis on research. In 1979, he added a new doctoral program in computer information systems.

International Business

The School had always had international involvement. There were international students in the first class and early course offerings in international trade. During the 1960s faculty increasingly took sabbaticals overseas. A foreign job exchange program was initiated for students, and an Institute for International Commerce was established within the School – the first of its kind in the United States. But it would not be until the early 1980s that international course offerings would significantly shape the curriculum.

In the mid 1960s, the University of Michigan Business School was one of six business schools nationwide to receive a major grant from the Ford Foundation to build strength in the area of International Business. Robert Adams, former chief economist of Esso Corporation, was brought in to direct the School’s new international efforts. Three additional professors were hired to further develop the program: Vern Terpstra, professor of international marketing, Gunter Dufey, a Fulbright Fellow and professor of international finance, and organizational behavior professor Edwin L. Miller. Terpstra, Dufey and Miller formed the nucleus of the School’s International Business group and would nurture the program’s remarkable growth during the 1980s.

Under Whitaker, the School continued to develop its global perspective but on a faster track, with initiatives that included overseas faculty internships, the Michigan Business Assistance (MBA) Corps, globalization of the curriculum and the executive-level Global Leadership Program. Throughout the 1980s, faculty composition became increasingly international, foreign student representatives grew to comprise 12 percent of the student body and executive education saw a greater number of participants from multinational corporations.

In 1990, confirmation of the School’s international efforts came from the U.S. government. The School was named one of only five schools nationally to receive a
that exist among the many diverse groups represented at the School. Just two years later, the School was cited by *Business Week* magazine as having achieved the most diverse group of students at any of the nation’s 250 nationally accredited MBA-granting institutions. That year, 25 percent of the class were minority students, and 16 percent were African American. By 1991, those figures rose to 29 percent minority representation, including 20 percent African American and 12 percent international.

Whitaker was particularly proud of the School’s record of minority recruitment. He continually sought ways to increase student diversity. The School hosted a campus program, the Minority Summer Institute, as a new initiative to encourage promising African American, Hispanic and Native American students to think about business doctoral programs and faculty careers.

“When I came in,” recalled Assistant Dean for Admissions Judith Goodman, “there were not many African American students in the School, either at the graduate or undergraduate level… It was very clear that (diversifying) was one of Dean Whitaker’s focuses and one of his goals.”

Cultural Diversity

Of the many challenges facing the School, Gil Whitaker placed minority recruitment and ethnic diversity at the top of his list. In 1991 the School held the first Business School Diversity Forum, a student-organized gathering designed to examine the stereotypes...
One move that Gil Whitaker made early in his deanship was for the School to join the Consortium for Graduate Study in Management, a national organization that worked to provide opportunities for under-represented minorities to enter graduate management programs. The Consortium provided financial assistance as well as career opportunities. At Whitaker’s urging, the School was invited to become a member of the Consortium in 1983, and both Judith Goodman and Professor Alfred Edwards served on the board of directors.

One thing Goodman learned was, “You cannot recruit and have a diverse community by doing just one thing, by just bringing in students. You have to have a diverse faculty, you have to have a diverse staff and the community has to be visible so those thinking of joining the community will see that it is diverse. The School, through the leadership efforts of (Whitaker) and (later White), has done very well with that challenge,” she said.

“Af ter awhile, it became clear that success breeds success. The successful (minority) students would leave the School and talk about their very positive experiences at Michigan. They would talk to colleagues who were thinking of an MBA. [Those colleagues] would apply and many of them would end up coming to Michigan,” Goodman said. “They helped with our recruitment efforts, and it made it easier. It helped us grow our diverse community of alums.”

Curriculum Innovation:
Multidisciplinary Action Projects Take Students Beyond the Class

In his first years as dean, Whitaker admittedly didn’t “do much” about the curriculum, consumed as he was with matters of fundraising, faculty and building up the School’s facilities. In the mid-1980s, however, Whitaker appointed a curriculum committee and posed a challenge to faculty to find ways to improve the School’s curricula.

“Most of the time when I was dean, the changes made to the curriculum were modest. I’d call them idling changes as opposed to strong, structural changes. It became pretty clear toward the end of my tenure as dean that
we needed to do something more radical, and I did appoint a very large group to look at the curriculum.

"They came back and we had a lot of discussion with the whole faculty about what they proposed. Finally, they proposed ...MAP." Multidisciplinary Action Projects (MAP) was the first of its kind as an academic program and a degree requirement. To this day, MAP continues to provide MBA students with the opportunity to get inside real companies and other organizations and solve real business problems in an intensive team setting.

Our Competitors Do Not Stand Still

Whitaker began his 1989 annual report on the School – his penultimate missive – with a hypothetical question from a hypothetical alumnus: 'Are the resources I give being well used?'

"And," he continued, "perhaps a corollary nagging thought is, 'If so, why does the need for money seem so continuous?"
Promoting Excellence

In 1997, reflecting back on his years at Michigan, Whitaker wrote:

“First and foremost, my commitment and my actions as dean and provost were focused on promoting and supporting intellectual excellence. . . I believe, and am convinced, my actions demonstrated that intellectual excellence is the prime requirement for a great business school and for a great university. . . . It is also true that I improved the financial footing, physical structures and other aspects of the School. All these actions were in support of the primary goal of academic excellence, which, by the way, includes paying attention to the need for excellence in the educational opportunities offered students.”
The decade of the 1980s will be remembered as a time of severe budget constraints and astonishing achievement, including unprecedented success in fundraising. New facilities for the library, for executive education and for computing services were important physical statements of growth, prestige and effective business education. New courses were added, and the faculty worked to ensure academic programs met changing needs. Computer information systems joined the ranks of major concentrations, and international offerings proliferated. Bringing the classroom into the real world, the School made fieldwork opportunities integral to its curriculum with the beginnings of a new program called MAP. From this platform of strength and excellence, so carefully constructed during the 1980s, the Business School would launch the innovative programs of the 1990s and achieve new heights of success.
In Competition with the Best

With the platform built in the 1980s, the coming decade would witness the School's continued climb in national rankings and on the charts of corporate recruiters. Its leadership remained true to the core objective: educating students to become managers of knowledge and people, and to become the type of responsible, "results-producing" business leaders for which Michigan was renowned. This would be a time of innovation in which students, faculty and staff were encouraged to experiment with new ideas in a process of continuous improvement.
In 1990 Professor and Associate Dean B. Joseph White succeeded Gilbert R. Whitaker as dean of the School. When Whitaker moved on to become provost of the University, he knew the School was in the best of hands. Experience told him that White would develop strategies and implement programs that were, at once, considered and creative. And this would be the signature of White's leadership for the next 10 years.

White was back from six years as vice president of Cummins Engine Company. He had returned to Michigan in 1987 and had been serving as the School's associate dean since that time.

A native of Michigan, White had earned a BS from Georgetown University, an MBA from Harvard Business School and his Ph.D. from Michigan. Joining the faculty in 1974, White was an associate professor of organizational behavior and industrial relations prior to taking the position at Cummins Engine. Now White was eager to vault the School into the highest echelons of business education. He was committed to both innovation and quality and was willing to take chances to continue shaping the School into one of the best in the world.

White's first communiqué to faculty, students, alumni and friends immediately set the tone of his tenure: "I intend to create a climate at the University of Michigan Business School in which people are encouraged to be innovative, to try out new ideas and to keep working at them and modifying them in a process of continuous improvement."

He also relayed an anecdote that reinforced the message he wanted to convey. He
described how, toward the end of his first year on the job, some students came to his office to show him a new MBA T-shirt they had designed. They had taken the University of Michigan Business School’s logo and modified it with an asterisk. White flipped the shirt over to discover the following footnote: “Subject to change without notice.” White described a moment of wary silence as the students watched their dean read the message on the shirt. Then he burst out laughing.

“I loved that shirt,” he later recalled. “I was told they were concerned I would think it was irreverent. But the students picked up on our commitment to innovation and continuous improvement, both of which require flexibility and willingness to change.”

White laid out his plans to restructure the core program, primarily the MBA curriculum, which he hoped would “bridge the wall between the traditional classroom and the best of executive education.” The program would always be “in progress,” White wrote in that letter, because evaluation tools, such as focus groups, student and recruiter surveys, and a customer satisfaction measure developed by members of the School’s marketing faculty, would be applied on a regular basis. That way he hoped, the School could retain its traditional strengths and at the same time continuously adjust and improve tomorrow’s business education.

His efforts were successful. During the decade of White’s tenure, Michigan’s Business School earned the reputation as the nation’s leader in MBA curricular reform. White attributed this success to setting lofty goals. Dean White’s mission, goals and strategy became the beacon for 10 years of dedicated effort and improvement. “Our progress has been based on high aspirations,” he said in a 1998 interview with Selections, the magazine of the Graduate Management Admission Council. “What has made it happen, of course, is people, especially senior faculty and associate deans who had convictions and were willing to try new things.”

The New MBA Curriculum

It was not a coincidence that White started with the teaching program. Simply put, he
believed the curriculum was not keeping pace with the rapidly changing needs of business in the 1990s, especially since that pace was rapidly increasing.

By 1992, MBA program reform included several bold changes – changes that were designed to develop students into effective and innovative business leaders and good citizens in the local, national and global communities. White changed the program to blend seven- and 14-week courses, allowing students more flexibility of choice, as well as facilitating the introduction of new courses. Students would be able to take a new executive skills workshop to hone professional skills, and the MBA orientation program was changed to incorporate “action oriented” team-building. White was instituting changes at a rapid pace, but he had his eye on the goals of a higher mission: to be the best. This mission would serve as the School’s beacon for improvement over the next 10 years.

“The ‘best,’” White wrote in 1992, “means faculty, staff and students at the School will be recognized for doing things that improve the world in ways that matter.” The articulated mission of the University of Michigan Business School became one of serving individuals, business and society by:

- developing leaders who will achieve high performance in the global world of business
- combining academic excellence in teaching and research with an unsurpassed commitment to innovation
- discovering and communicating important knowledge about the theory, practice and institutions of business
- serving as a model of working together with mutual respect in a multicultural community

Internationalism: The World As a Classroom

The waning years of the 1980s witnessed a remarkable series of world events. In Poland, the Czech and Slovak Republics, the former Soviet Union and other nations throughout Central and Eastern Europe, authoritarian regimes collapsed. Barriers, both symbolic and concrete, were dismantled. In the wake of celebration came a sobering realization – major political shifts had created an economic vacuum. The social and economic transitions often came with painful difficulty and uncertainty. The tools to build a market economy were lacking, and it became necessary to create educational models,
information networks and partnerships. There was a need for an exchange of expertise between established market economies and former command economies. The School's newly established Center for International Business Education (CIBE), a national resource center supported by the U.S. Department of Education, provided the first of several major steps into the arena of international economic affairs.

The Global Leadership Program

As business leaders began to see the impact international study had on students, they challenged the Business School to come up with a similar course for executives. In 1988, Professor Noel Tichy took up the challenge and developed the School's Global Leadership Program for top-level executives. The program employed an intensive, step-stone approach designed to generate a global mindset and build the leadership skills needed in cross-cultural environments.

The Global MBA

Michigan enlisted the most cutting-edge technology for 21st century education in the "Global MBA Program." Offered initially in Hong Kong, Korea and Brazil, qualified students at a great distance could earn a Michigan MBA through the application of technology. The Global MBA program now has three elements: faculty going abroad to teach; students coming to Ann Arbor; and the use of videoconferencing, the Internet and the latest software for instruction.

"Global perspective is a given at all the top business schools today," White said in 1999. "It permeates everything we do. Thirty years ago, Michigan had an international business department that offered courses on doing business internationally. "International" was compartmentalized. Most considerations of doing business beyond U.S. boundaries were handled by that group, and that was considered progressive at the time."
“Today the situation couldn’t be more different. Our faculty, like those at other business schools, is international in character. Professors travel the world and teach in programs in distant places. Student bodies are international in character. Many students participate in MBA programs that offer firsthand business experience in Africa, Asia, Europe and Latin America. We have American students going to South Africa and Brazilian students working on projects in China. In all our course offerings, there is a global view of business and of the discipline being taught,” White said. The goal was always to keep Michigan students on the forefront of international business.

**Michigan Business Assistance Corps**

The Michigan Business Assistance (MBA) Corps was initiated in 1989. Associate Dean Edwin Miller was the driving force behind the idea and was dedicated to providing international exposure for the students, one that tapped into real-life work experiences. Marian Krzyzowski directed the MBA Corps for Poland. He spent several months planning the initial venture, and the program’s success is reflected in the student experience: “I’m sure that in 10 years I will remember exactly what I was doing in Poland in 1990…I know that what I was doing…will stay with me for the rest of my life.”

“It was a wild idea,” Miller recalled. “We were looking at what was going on in Eastern Europe. We talked about some ideas and came up with a program similar to that of the Peace Corps, where students would provide some expertise to help ease the transition to a market economy and earn experience and learn. We found some placements where our students would work closely with Polish managers, and we enlisted the support of the University’s Center for Russian and East European Studies to help prepare our students for the transition. We wanted them to have some basic Polish, at least. We had no idea how many students would apply. We placed an ad in the *Monroe Street Journal*. Ninety people applied for . . . nine spots. It was marvelous.”
MAP, IMAP and the Global Projects Course

The Multidisciplinary Action Projects (MAP) program, developed in the late 1980s and launched in the 1990s, was a great success. The program has become the centerpiece of Michigan's bold and innovative package of core curriculum reform designed to develop students' advanced capabilities.

Each year, the School partners with local, regional and national firms who agree to host the MAP teams and projects. Michigan MBAs prepare for their projects by taking core courses in corporate strategy, finance, managerial accounting, marketing, operations management, statistics, and organizational behavior and human resource management. Each team is backed by faculty specialists in these areas, who guide and mentor the students. At the end of the academic year, the students deliver a detailed oral and written report both to professors and to company executives. Students and companies alike benefit from this innovative program.

“We first decided we would run MAP as an experiment. We planned to take two of six (student) sections and introduce MAP. The other four sections would run under the traditional curriculum at least for a year. Following that first year, we would vote again (on the new program),” said Whitaker.

“However, before the year was very far along we had to make some adjustments because the four (traditionally run) sections felt they were being cheated - they weren’t getting the newer version of the curriculum.”

Whitaker recalled years later, “I don’t know how the faculty ultimately would have voted on the curriculum change, because in the end it was the students who just demanded change and the faculty really had to implement the change.

“It wasn’t easy for the professors. Faculty had to recast their courses to make room for the MAP projects, for seven weeks of no classes. But the students wanted (MAP). They liked it, and they liked the chance to take their book knowledge to the real world and test it out. I think the students recognized the need to work in teams. It’s certainly true in companies that more work is done in teams.”

After participating in MAP, students are better prepared to lead and perform in an
increasingly skills-intensive and results-oriented business environment. In part, the program's success is the result of its ability to integrate business education with real-life business operations. MAP is not an "add on" for students. It is a central educational experience inside the School's partner organizations. These corporate partners range from local start-ups to major multinationals. In addition, students are assigned to a team of faculty that serve as experts, advisors and coaches.

In 1992, a Global Projects course was offered for the first time. This course partners student teams with a variety of business organizations based in the United States, Europe, Asia, Africa and the Middle East. Students in the semester-long Global Projects course work on significant international business issues affecting their host organization.

In 1995 International MAP, or IMAP, was created as an international alternative to the MAP program. IMAP assignments are projects of strategic importance to the host organizations, ranging from global corporations to business incubators in Israel. Through IMAP, students develop both their professional capabilities and their cross-cultural competence.

The very first IMAP team consisted of four students. Five years later, one of those students reflected on her experience: "IMAP was THE highlight of my experience at Michigan. Our team made a tremendous impact at Whirlpool. Our recommendations were the cornerstone of Whirlpool's strategic plan for Central Europe that year. Working with a team of students in a developing country was an eye-opening experience. Today when I work on strategy projects, or lead team meetings, I look back on my experience at IMAP and use skills I developed then. I'm a better manager today because of IMAP."
Executive Education

Management education at Michigan soared to new heights of excellence and popularity during the 1990s and reached out around the world. In the 1990s, the Executive Education Center has trained more than 5,000 businesspeople each year from around the world.

In 1997, the Center's reputation won the number-two ranking in a national study by Business Week magazine. Most observers agree the reason Michigan has ranked so high in this field is its determination to train managers to be attuned to innovative thought and to be able to turn information into action. Studies have shown that many of the "big" ideas that have had tremendous impact in the corporate world were "born" at Michigan. One of the advantages of the School's program is that faculty teach the classes, exposing executives to leading-edge thought and research. An added benefit for the School is that the faculty also learn from their corporate students.

National Quality Research Center and ACSI

Emerging from the quality initiatives of the 1980s, the National Quality Research Center (NQRC) at the Business School, won renown as a research and teaching center focused on the measurement of customer satisfaction and its relationship to various aspects of business enterprise. Early in the 1990s, NQRC, under the direction of Professor Claes Fornell, developed and launched the American Customer Satisfaction Index, a national economic indicator of customer satisfaction with the quality of goods and services available to household consumers in the United States. The Index is the only cross-industry national indicator that links customer satisfaction to financial returns. The annual indices for one-fourth of the survey's measured industries are produced each quarter and are regularly published in The Wall Street Journal.
Creative Coalitions

In this exciting atmosphere of innovation, the School began to expand its curricular offerings. During the 1990s, there was a virtual explosion in curriculum development that made it possible for students to pursue a wide variety of subjects. Successful fundraising turned many of these innovations into programs; and once success gained a foothold, White was able to further develop several of these programs into full-fledged institutes. Expanded offerings allowed students to focus on specific areas of business such as entrepreneurship, manufacturing and corporate environmental management. MBA students also were credited for their hours of graduate study in other units of the University, such as the Law School, the School of Public Policy, the School of Social Work, the College of Engineering and the School of Natural Resources and Environment.

Creating institutes meant creating concentrated centers of great teaching, research and experience for students and faculty, as well as for their corporate liaisons. Research became a thriving enterprise at the School, across every functional area of business and often integrating business and other fields. The School became home to several research centers, which, in keeping with the University's mission, developed new knowledge and shaped business practice and policy.

The William Davidson Institute

One of the School's most important international developments of the decade was the establishment of the William Davidson Institute (WDI) in 1992. Davidson, a Detroit native, a highly successful business owner and a 1947 graduate of the Business School, was impressed by the School's international activities and motivated by his own frustrating business experience in Eastern Europe. Viewing Michigan as the very best place to realize his vision, he committed $30 million to the School to establish an institute, the original, primary goal of which was to help businesses in transitional societies move from a command to a free-market economy. The Institute sponsored instruction, faculty and student development, research, internships.
and corporate partnerships. The first targeted areas were in Eastern Europe, the former Soviet republics, India, China and Africa south of the Sahara. Today, WDI’s reach has stretched to include regions as diverse as Central Europe, South and Southeast Asia and Latin America.

“The Institute represents a visionary response to the command-to-market shift underway throughout the world,” Dean White told the audience at the inaugural ceremonies. “The new partnership between the Institute and the School will result in an aggressive, multifaceted program of instruction and research capable of shaping events in the emerging world economic order.”

Since that auspicious start, WDI has grown into one of the world’s leading centers of expertise on issues affecting firms in transitional and emerging market economies. WDI provides direct assistance to its partners through inquiry, knowledge, operative solutions and productive relationships. The partnerships involve students and faculty, business executives, policymakers, researchers and corporate and academic affiliates.

Tauber Manufacturing Institute

During the early 1990s, global economic and technological changes began to reshape the American manufacturing sector. In response to industry needs, the School’s leadership investigated the possible formation of new programs to meet the demand for graduates with a strong, well-rounded academic background, extensive professional experience and the ability to integrate business and engineering perspectives.

The School’s leaders met with its Visiting Committee and representatives from the College of Engineering to decide how best to educate future leaders for manufacturing enterprise. They determined that sharply focused, cross-disciplinary research would be key, along with customized degree options and strong collaboration with industry partners.

In 1991, the School, the College of Engineering and a 31-member Industrial Advisory Board established the Michigan Joint Manufacturing Initiative (MJMI). Its mission was to capitalize on the University’s vast resources to train students who ultimately
would help the manufacturing industry grow and prosper. In 1995, Joel D. Tauber, an alumnus and leading industrialist in southeast Michigan, endorsed the mission of MJMI with a $5 million gift to establish the Tauber Manufacturing Institute (TMI).

Over the next several years, TMI evolved into one of the nation’s leading manufacturing-related interdisciplinary engineering and business education institutes.

**Corporate Environmental Management Program (CEMP) and the Erb Environmental Management Institute**

Turning missions into actions has been a trademark of Joe White’s leadership. His determination to create a Business School community that “improves the world in ways that matter,” combined with his understanding of the corporation’s changing role in society, have led directly to the Business School’s innovative approach to one of the most challenging issues of the next century – sustainability. “The clarion call for sustainable human development is the number-one megatrend reshaping business, and thus management education, in this century,” wrote White. “It will require a critical mass of thinkers who can collectively build a shared vision of a sustainable future.”

In the 1990s, it became clear that businesses must create entirely new, environmentally sustainable strategies. Many corporations were caught unaware when government forced businesses to comply with increasingly stringent environmental regulations and requirements. Recognizing the social impacts and business needs surrounding environmental issues, the Business School created a program to allow faculty and students to explore possible solutions to pressing environmental concerns.

The Corporate Environmental Management Program (CEMP), initiated in 1993, is an innovative joint degree program between the Business School and the School of Natural Resources and Environment. CEMP engages the premise that a shared understanding of business and the environment will best equip leaders, executives and managers – whether they work in the private sector or for an
environmental nonprofit — with the skills and knowledge necessary to create environmentally and economically sustainable organizations.

CEMP is designed to help executives and managers consider the environmental impact of their decisions, and the need to develop sustainable business strategies to gain a competitive advantage in an emerging "green" world. It also is designed to equip environmentalists with the business savvy and economic expertise required to keep their own enterprises afloat, and to address the thorny economic issues that are an inevitable part of environmental problem-solving. CEMP enables students to become well versed in both management methods and environmental science.

This joint venture caught the attention of several business leaders, foremost among them Frederick A. Erb, an alumnus whose family business held a position of considerable prominence in Michigan's building materials industry. In 1996, Frederick A. and Barbara M. Erb contributed $5 million to create the Erb Environmental Management Institute. The Institute embraces CEMP and reaches out across the University to allow faculty and students to focus on the roles and relationships among businesses, governments and not-for-profits as they affect the environment. In 1999 Mr. and Mrs. Erb committed an additional $5 million as a challenge to other individuals and organizations to support efforts toward a sustainable future. The Erb Institute is jointly administered by the Business School and the School of Natural Resources and Environment.

**Entrepreneurship and the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies**

The existence and growth of entrepreneurial studies at the University of Michigan Business School dates back virtually to the inception of the School in the 1920s. A small number of courses in Small Business Management were offered primarily to those students who intended to return to family businesses and for those interested in employment with smaller, local market companies. Beginning in the early 1970s, the courses were reoriented and a
broader, entrepreneurial focus was developed.

In 1984, the School initiated the Pryor Award Business Plan Competition with a gift from University alumnus Millard Pryor Sr., who had been a member of the School’s first class in 1926. A bequest from Clayton G. Hale, AB ’24 and Cleveland insurance executive, enhanced the financial resources for the competition, and the prize was renamed the Pryor-Hale Entrepreneur Award. The student business plans are judged by venture capitalists and entrepreneurs who look for conceptual innovation, clarity and practicality. The Pryor-Hale competition remains one of the oldest of its kind in the country.

Over the course of the last three decades, the School’s entrepreneurship program evolved an outstanding set of logically linked courses attracting a rapidly growing number of students. Most recently, with a vision of creating a world-class center for entrepreneurship, Michigan alumnus Sam Zell and Ann Lurie, the widow of his longtime business partner, launched the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies in 1999 with a joint gift of $10 million. The mission of the Institute is to focus the capabilities and resources of the University of Michigan, through collaboration with other schools and units, and in direct partnership with the entrepreneurial community, to build a transforming, boundary-spanning and integrated program of entrepreneurship. The Institute provides an educational framework of experiential learning for emerging business leaders and serves as a catalyst for new venture development while contributing important research to the field. Significant in this regard are the student-managed Wolverine Venture Fund, entrepreneurial internships, business plan competitions and the annual Growth Capital Symposium.

The Point Is the People: Capital Campaign

During the 1990s, the School was growing tremendously, continuing the upward spiral begun in the 1980s. In large part, this success stemmed from an intense focus on educating business leaders who can lead world-class enterprises, contribute to society and direct
companies in times of change. The goal the School's leaders articulated — to be the best among the world's top business schools — was an outgrowth of past achievement. In many ways over many years, the School had been preparing to achieve this goal.

Much of the work of the 1980s had been necessarily "brick and mortar." The capital campaign of the 1980s had focused on facilities, buildings and infrastructure as the School sought to create an environment capable of supporting high achievement. In the 1990s, the work focused more on people. White kicked off a campaign, called "The Point Is the People," hoping to raise $100 million to invest in human capital and support the individuals — students, faculty and staff — who represent the School’s key human resources.

For White, a primary objective was to stay abreast of, if not beat, the competition. He was proud that Michigan had achieved educational excellence for so many years while operating at a distinct financial disadvantage relative to its peer institutions. As one of the only public institutions among the country’s leading business schools, Michigan found that other top schools were able to outspend the Business School in nearly every category. And yet Michigan’s stature continued to rise because of the School’s top-quality students, strong leadership, the quality and dedication of faculty and staff and its home within a great university. "In the past," White wrote, "Michigan has been exceptionally efficient with its funds, managing the School like a well-run business and producing a maximum return and educational value for every dollar invested. We intend to continue the policy of prudent stewardship that has served us well for so many years."

White discovered, however, that despite the School’s gains, funding inequities were affecting the School’s ability to compete effectively. First, in the competitive quest for talent, White wanted to ensure that every qualified applicant would have a chance to attend Michigan and planned to provide financial assistance to all deserving students. Second, White deemed the faculty to be the "heart" of the School and the reason for its success. An extensive and large-scale recruiting
campaign in the 1990s yielded an even more exceptional faculty, but the retention of these teachers and researchers became a top priority.

With this agenda, he called for scholarships, endowed professorships and faculty development. To supplement teaching and research efforts, White encouraged curriculum innovation and teaching effectiveness, along with the creation and support of research centers. The research efforts, he knew, would expand the intellectual breadth and depth of the curriculum and confirm Michigan’s leadership position in many educational arenas.

The campaign, which spanned five years, was a great success. The School raised $126 million, comprised of nearly 50,000 gifts from Michigan graduates, friends, foundations and corporations.

The gifts gave life to 20 new endowed professorships 95 new scholarships and fellowships; nine new programs, centers and institutes; and a new building, made possible by a $10 million cornerstone gift from Sam Wyly, MBA ’57, successful entrepreneur and investor. Sam Wyly Hall became a centerpiece of the School’s expanded campus. It added 75,000 functional square feet and would provide a modern home for the William Davidson Institute, Executive Education and instructional programs, with its array of classrooms, breakout rooms, guest rooms, faculty offices and additional workspace.

Diversity

For much of the 1990s, the School made concerted efforts to enhance its racial, ethnic and gender mix. Michigan is dedicated to diversity for the simple reason that tapping the total talent pool is imperative to creating the best possible environment for learning and development. The School is dedicated to offering education and development opportunities to the broadest range of talent.

The School’s first graduating class (1926) was remarkably diverse. However, minority enrollment did not keep pace with increased overall enrollment during the ensuing decades. This began to change significantly in the 1970s. Although there was still work to be done, the School had come a long way since 1947, the year that MBA Louis J. Willie graduated.
"When I entered the MBA program in 1946, there was only one Black student in the BBA program and I was the only Black student in the MBA program," Willie said. "By the time I received my MBA in August 1947, the Black student in the undergraduate program had dropped out, and I was alone. I am proud of what Dean Whitaker and others are doing to make the School one of the (most) outstanding in the world..." (Dividend, 1990)

By the 1990s, through diligent recruitment efforts and vigorous international involvement, the School's diversity had become the hallmark of its community. In fact, a 1989 survey by Business Week magazine determined that Michigan had achieved the most diverse student body of any of the nation's 250 accredited MBA-granting institutions. The efforts to improve minority recruitment and retention were effective. By 1993, the School was cited as the best school for Black MBA students. According to an article in The Journal of Blacks in Higher Education, "If we had to single out one school for special attention, it would be the University of Michigan...It is the only school with a double-digit percentage of Black students. It graduates more Black MBAs than any other school in America" (The Journal of Blacks in Higher Education, Winter 1993/94, No. 2, p. 56). In addition, the journal noted that Michigan (along with Harvard University) had the most African American faculty members.

In honor of this achievement, Dean White awarded a brass ring (the School's symbol of achievement) to Assistant Dean for Admissions and Student Services Judith Goodman and to Dr. Alfred Edwards, professor emeritus of business administration, for their hard work in increasing the percentages of minority students at the School. Goodman served as Assistant Dean from 1979 to 1999. Edwards retired in 1990 but remains an active mentor to Black students.

Another of the School's efforts to increase diversity has been to increase the enrollment of women. Today, women represent 26 percent of MBA students and 42 percent of BBA students—a marked increase over the last 25 or 30 years. The percentage of women
students in the late '60s and early '70s hovered only around six percent.

Despite these increases, the proportion of women in top graduate business schools still significantly trails the proportion in schools of medicine and law. With national unemployment at two percent for managers and other business professionals, competition for talent is fierce. The situation underscores the dramatic untapped opportunities for women in a global business economy. Efforts have been undertaken at the University of Michigan Business School to understand why women, despite these increased opportunities, often steer away from top MBA programs. The School's leadership will continue to explore new and better ways to attract and educate women.

The perspectives and talents of minorities and women have greatly added to the experiences of all students at the Business School. Increasing numbers of international students also have added to the unique and diversified dynamics of the student body and have influenced the entire atmosphere of the School. "When I first arrived at the School, I was struck by how many languages I heard while walking down just one corridor in between classes," said one staff member. "And the students' interest in differing cultures and perspectives – in global issues – is genuine."

Today, one-third of Michigan's MBA class and 14 percent of the BBA class are from countries outside the United States. The international students come from all over the globe – representing more than 30 countries. This demographic profile of the School's student population enhances the entire educational experience, a fact resonating in the words of a recent MBA graduate: "This is a great place...because of the emphasis on community and the emphasis on diversity. Diversity is very dynamic here and includes all sorts of differences – not just race or gender, but a huge variety of people's backgrounds, heritage, work experiences, the way they think – and that diversity levels the playing field because it prevents one dominant point of view from overwhelming other ways of thinking."
Social Responsibility

During his tenure as dean, White created a cultural and curricular dimension of social responsibility that is unequalled at any other major business school. This dimension is high on the list of special qualities that make the School different, indeed unique. The values that are core to concerns for societal health and well being are integral to the development of leaders who are connected to their community. Michigan's graduates learn early on that they will gain much by giving back.

Entering students participate in an orientation program that emphasizes team building and community service activities. This Leadership Development Program brings incoming students together with second-year mentors, faculty, staff and employees of sponsoring corporations to participate in a wide variety of off-campus activities, from cleaning up inner-city parks and refurbishing youth centers to working on Habitat for Humanity homes, distributing food and delivering meals for Focus: HOPE, and helping disadvantaged and elderly community members.

Throughout the course of the BBA and MBA programs, student organizations sponsor and promote educational opportunities focused on individual and corporate responsibility, as well as social concerns. Net Impact (formerly known as Students for Responsible Business) promotes the development of business leaders who seek to understand the power of business to create a better world and to integrate this vision into their careers and businesses. The Business School's Net Impact chapter is the largest and most active in the nation. Another student organization, the Global Citizenship Club, encourages, recognizes and facilitates participation in volunteer activities, and raises awareness as well as dollars for national and local charities. Additionally, student support for Habitat for Humanity is very strong, raising over $40,000 each year and contributing both labor and business acumen to local projects.

Providing business expertise in service of community is expressed more formally through the Business School's Domestic Business Assistance Corps. The Domestic Corps program arranges student summer
internships with nonprofit agencies in communities throughout the United States, with the dual mission of strengthening the organizational capacity of the host agencies while enhancing the educational experience of Business School students. The projects, which range from business plans to process improvement, reach out to inner cities, depressed communities and Native American nations.

The role of nonprofit organizations in strengthening social fabric is the focus of the Nonprofit Management Center, a collaborative effort among the University's Schools of Business, Public Policy and Social Work. The Center provides an educational platform and a forum for achieving new insight into issues of social concern through effective public-private partnerships. The Business School supports financial aid programs in the form of forgivable loans for students seeking careers in the public or nonprofit sectors.

Through all these initiatives and more, understanding and acting on the importance of social responsibility and corporate citizenship have become signatures of management education and leadership development at the University of Michigan Business School.

The Class of 2000

Business School graduates from the Class of 2000 share many characteristics with their historical counterparts in the Class of 1926. They are bright, eager and highly motivated. They represent a wide variety of nationalities, ethnic heritages and career backgrounds. And they share the same sense of adventure as they embark on careers that lure them toward the next horizon. Yet, the differences are even more striking. Today's MBA graduate is one of 400 classmates; the Class of 1926 boasted 13 members. Today's graduate is older, with a mean age of 28, and typically already has five or more years of work experience. Michigan's first Business School students were in their early twenties and had little or no work experience beyond that of the family business or farm. Today's graduate enrolls in the program with a Grade Point Average of 3.5, and an average GMAT score of 675 — an academic indicator that did not even exist in 1926. One of four of these graduates is female, one of five is an ethnic minority and one of three comes from a country other than the United States. Today's MBA graduate is
most likely to go on to consulting, into banking and financial services or the manufacturing sector. He or she is increasingly interested in high technology, electronic business and entrepreneurship.

Looking to the future, Professor of Corporate Strategy C. K. Prahalad predicts: "The right kind of MBA (degree) will become more important than ever. The MBA should build personal leadership to be a fully engaging developmental experience. MBAs should demand preparation that will make them stand out from their peers. A good MBA curriculum will have the future built into it.

"Effective managers must have substantive knowledge and analytical rigor . . . they must also be able to translate concepts into action . . . they must be real-world problem solvers rather than merely classroom puzzle solvers."

Looking back on over 75 years of professional business education, it is evident the University of Michigan MBA historically has been designed to develop the requisite qualities of the manager in each new era. Today's graduates continue to represent the strongest elements of that tradition.

The Faculty of 2000: Redefining Management Education

Comparisons of the past and present, of course, are not confined to University of Michigan Business School students and graduates. The goals, experiences, characteristics and expertise of the School's faculty also have shaped and been shaped by the course of the School's history. Like their predecessors, today's Business School faculty share a dedication to excellence in teaching and research. They have a willingness to take risks and to push outward at the boundaries of their fields of expertise. A leading example is found in C. K. Prahalad, the Harvey C. Fruehauf Professor of Business Administration, whose book (co-authored with Gary Hamel), Competing for the Future, opened new pathways in business thinking by stating that a business should perceive of itself as a set of skills, or "core competencies," not a set of boxes on an organizational chart. Professor Prahalad has been recognized as "the most influential thinker on corporate strategy today." (Business Week)
For the School's early faculty, innovation was the only choice. The need to forge an original curriculum in business education forced the faculty to employ creative instructional methods. Today's faculty both actively pursue innovation and drive it. They continually invent, evaluate and reinvent business education at Michigan. They are world-class scholars at the forefront of teaching and research. They are focused on acquiring interdisciplinary knowledge, achieving a global outlook and instilling the values of service and corporate citizenship. More than ever before, they bridge the gap between the worlds of scholarship and professional practice—a fact reflected in the number of collaborative initiatives both inside and outside the classroom.

In 1924, the School's teaching faculty numbered 14. Today, there are nearly 200 teaching faculty. This dramatic change reflects not only the growth in the number of students being taught but the expansion of the School's curriculum. Today the School offers studies in Accounting; Business Economics and Public Policy; Computer and Information Systems; Corporate Strategy and International Business; Finance; Law, History and Communication; Marketing; Operations Management; Organizational Behavior and Human Resource Management; and Statistics and Management Science. This breadth of curriculum in business studies is recognized as one of Michigan's most significant strengths.

The faculty has always been central to the School's success and it will continue to have an important and long-term impact on the quality of the Business School and its programs. "An organization is only as good as its people," said White. Faculty recruitment and development in today's business education arena is a strenuously competitive endeavor, but facing competition with creativity and confidence is the University of Michigan Business School's legacy. The School remains committed to creating an environment that will attract the very finest teachers and scholars in business studies.
Being the Best and Being Ranked the Best

To face the future, and to maintain the finest traditions of the School, adapting to change is essential. Dean White recognized this and constantly strove to encourage openness to new ideas.

“What is different today is simply that much more knowledge has been generated over the last 30 years. Therefore, what MBAs need to know has expanded. MBA programs now teach sophisticated analytical techniques for understanding all kinds of customer segments, how to measure customer satisfaction and tie it to the bottom line,” said White.

His words carry an echo from the School’s first dean, Edmund Ezra Day, when Day said, “Ours is the task of making business scientists.” White, like Day, is committed to ensuring his students are always on the leading edge of management education.

“I want us to strive to be the best business school in the world,” he told Selections magazine, the magazine of the Graduate Management Admissions Council, in 1998.

“There is a lot of confusion between national rankings and being the best. My position has been that we need to decide what we think ‘best’ means in the evolving world of management education. For example, we know that in addition to excellent scholarship and teaching, we need to provide equally excellent professional development opportunities, so that students really learn and grow during the years they’re with us and are more competent professionals when they leave.

“My view about rankings is that while nobody wins all the time, rankings are important signals of quality. When we do well in the rankings, we’re going to celebrate. When we don’t, we’re not going to worry about it; we’re just going to keep going. In terms of striving to be the best, I think we have made some real progress. In certain areas I’m prepared to say to prospective students, ‘Come to Michigan, because I think we can provide you with the best combined management education and professional development experience of any top MBA program.’”

True to his early promise, during White’s reign the School earned a place among the fore-
front of MBA curricular reform. Rarely did a professional conference on best practices in MBA education take place without Michigan faculty and staff representing the School’s latest innovative developments.

White recognized that throughout the School’s history there had been a culture of innovation, of venturing into uncharted territory. This quest to do better clearly accelerated in the 1990s.

In 1999, White explained his dedication to change: “We have tried to create a very innovative culture here because all excellent organizations are innovative . . . If our job is to understand the world of business and to prepare students to be effective in it, we not only have to understand innovation, we have to be able to practice it. We teach our students by example, not just through words.”

In 1999, at the outset of the School’s 75th anniversary year, White launched an initiative known as the 75th Anniversary Challenge. It was a call to the community to generate innovative ideas on enriching and improving the School, and accelerating the pace of its responsiveness to the new economy of the 21st century. Creative thinking was applied to all areas of activity – including intellectual capital, information resources, physical plant improvement, technology, curriculum and cultural enhancement. In the spirit of innovation, ideas were transformed into “legacy gifts” (hardwired classrooms, an Executive MBA program, fine art in the corridors) – all for the benefit of future generations.

Stretching the Boundaries

Over the years, and especially during the last few decades, the University of Michigan Business School has fashioned a mission that includes attracting the very best talent and developing the most effective business leaders. These are not static objectives. The churning environment of a rapidly changing world requires ever-new ways of thinking about diversity, talent and competition. At the start of the new millennium, three important initiatives capture the spirit of innovative thinking at the Business School.
Women and the MBA

Margaret Elliott Tracy's 1928 study of college-educated women was primarily concerned with evaluating the "pay off" of educational opportunity. Elliott discovered that, for women, opportunity seldom led to a business career. A college education, though certainly beneficial, seemed to lead more often to less lucrative professional pursuits.

Seventy years later, another research study is probing more deeply into the reasons why women seem less inclined to take advantage of a business education. In 1998, the University of Michigan Business School, the University's Center for the Education of Women, and Catalyst, a nonprofit research and advisory organization dedicated to advancing women in business and the professions, jointly launched an inquiry, underwritten by 12 leading companies, into the future prospects for women in business. The study, Women and the MBA: Gateway to Opportunity, seeks to gain insight on the issue of the relatively low enrollment of women in business schools across the nation. If MBA graduates are a significant part of the talent pool for corporate leadership, why are women not a significant part of that talent pool?

The impetus behind this study has involved more than intellectual curiosity. There was courage in asking the question, and risk in unveiling the answers. The study's findings have, in fact, generated a number of key recommendations, the implementation of which would significantly alter conventional practice in both business education and business enterprise. These include improving women's educational and professional preparation for business school, countering women's negative images of business, aggressively recruiting women to business schools and business careers, demonstrating commitment and support in inclusive cultures and environments, and enhancing the career outcomes for women MBAs.1 The common denominator of these recommendations is one

1 Women and the MBA: Gateway to Opportunity, Catalyst, Center for the Education of Women at the University of Michigan, University of Michigan Business School, ©2000, ISBN 0-89584-207-0; Introduction, p. 1; Overview, p. 5; Chapter 5, pp. 59-60.
of breaking down barriers or, at the very least, stretching the boundaries toward genuine gender equity. The main finding was that women who had earned an MBA at a top business school were, like men, overwhelmingly satisfied with the experience and results.

Successful Intelligence

“We need a better, fairer, broader way of measuring people,” said B. Joseph White. “We want to create an entirely new method of assessing incoming students for our MBA program in order to spot people who are going to have the highest probability of being successful.” Since 1954, the Graduate Management Admission Test, or GMAT, has served as the standard measurement for successful admission to the nation's business schools. In 1999 alone, the GMAT was administered to 187,000 hopeful applicants. Challenging the primacy of the GMAT and other standardized tests, the University of Michigan Business School has developed and is evaluating a test of practical intelligence that it hopes will do a better job of identifying future business leaders. Authored by Yale University psychology professor Robert J. Sternberg, the test is the result of some 20 years of research on analytical, creative and practical intelligence — research that Sternberg believes demonstrates the inadequacy of standardized tests. Traditional tests, he says, are “not going to tell you who has good ideas.” The Successful Intelligence Assessment (SIA) tests leadership skills and the ability to produce results amid ambiguity. It aims to
gauge who is able to learn from mistakes, handle changing situations and cope with less-than-perfect information — the same challenges that business leaders face every day. In the new age of corporate management, Michigan is taking the lead and investing in a new approach for predicting career success.

A Cooperative Venture

In 2000, e-commerce is everywhere, and it is here to stay. Whether a retail promotion or a business-to-business deal, electronic commerce is shaping the exchange of goods and services around the world. In an entrepreneurial venture, the University of Michigan Business School has joined with the Haas School at Berkeley and the Darden School at the University of Virginia in a cross-national collaboration. In academic year 1999-2000, three e-commerce courses will be taught simultaneously on the three business school campuses via interactive video and Internet-supported classrooms. All three schools regard this as an important first step in a cooperative venture designed to share intellectual capital and offer cross-registration for course offerings.

Haas, Darden and Michigan bring important and distinctive strengths to this partnership. Each is ranked among the nation's best providers of management education and development. Two of the three are located in high-technology corridors (Silicon Valley and Northern Virginia), and one — Michigan — is an active intersection of global interests across many industries. According to Laura Tyson, Dean of the Haas School, "These joint courses may be a window on the future of management education — a future in which schools regularly team or co-brand to offer their best courses to students and executives who are located at multiple sites around the world... New distance learning technologies are an opportunity for business schools to re-think how they can best serve the needs of students. This effort is a great example of the innovations now possible."


3 Susan Ashford, Senior Associate Dean, University of Michigan Business School, press release, July 7, 2000
At the University of Michigan Business School, the 1990s were years of enthusiasm and change, of innovative initiatives and exciting collaborations with other University units and, ultimately, with other top business schools. "The place fairly hummed with energy and optimism. You could feel it the minute you walked through the door," says one staff member. "We were alive with change." New degree programs were developed, experiential learning became a requirement and existing programs were consolidated into full-fledged institutes. The School's endowment, its primary resource for creativity and innovation, grew from $28.6 million to $267 million between 1990 and 2000. The goal for the decade was to become the best, and to be recognized as such.

The School's leadership strove both to be outstanding in traditional business education and to be a leading educational innovator. The philosophy and the programs this inspired were an unequalled success. Many served as models for programs at other schools across the nation. In part, the School's success can be attributed to a unique combination of traditional management education and contemporary managerial development – a combination that graduates business leaders skilled in applying knowledge and producing results. Recruiter satisfaction surveys consistently indicate that Michigan graduates are among the best out there. And at the close of the decade, the School continues to reach for new heights, inspired, as in the past, by the limitless imagination and will of its community.
As of this writing, Dean B. Joseph White is planning to leave the deanship of the University of Michigan Business School to resume teaching and research. In the tradition of the institution, others will be drawn by the lure of new horizons and will embark on the adventures of a new century. They will be well equipped, however, with White's vision of the "unsurpassed potential we have to serve students, companies and society, and to generate intellectual capital." For all who will participate in those adventures, the end of this book is far from the end of the story.
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