

Liberal Arts and Business: A Personal Study

An Honors Thesis (ID 499)

by

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A handwritten signature in cursive script that reads "James C. Steele". The signature is written in black ink and is positioned above a horizontal line.

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## INTRODUCTION

As an Honors College student and an accounting major, I feel I have experienced the best of both worlds in my studies here at Ball State University. Ball State's honors program spurred my love of the classics and culture and re-emphasized my dedication to lifelong learning. I learned to analyze issues and communicate ideas in both written and verbal form. I learned to appreciate all sources of knowledge for knowledge's sake and to seek out the many and varied opportunities to learn that a university environment could provide. The College of Business, particularly the accounting program, has challenged me to become familiar with the intricacies of the corporate world. The world of business is something that I find fascinating; the opportunities seem endless. What follows, then, is what I term a "personal study" of the liberal arts and business. Is there or should there be a connection between liberal arts and business? I strongly believe there is a valid connection between these two disciplines. In my opinion the corporate world cannot deny the need for people with the attributes that a liberal arts education can provide. It was my hope, when undertaking this project, to find that I am not alone in this belief.

## ASSESSMENT OF BUSINESS SCHOOLS

If the United States is losing its footing in the competition for world markets, some of the blame may lie with the graduates of our business schools.<sup>1</sup>

There have been increasing concerns about the missions and goals of our business schools. Graduates of business schools are found to be unprepared or at least ill-prepared for what lies ahead of them in business careers. Criticism has been leveled at business schools for failure in curriculum, research, and employability of graduates. Considering the vast increase in the number of business students in the last decade, these seem to be valid concerns for both educators and professionals.

Curriculum: Today's business school curriculum has been under fire recently from several business journals for producing short-sighted executives. The assessment of business schools by these publications has concluded that schools have overemphasized finance and quantitative methods and underemphasized operations, strategic planning, and human resources. Classes are number-oriented instead of people-oriented. Students are taught to memorize theoretical answers, but not to formulate practical solutions to real-life problems. As a result of this perspective in business schools, students tend to forget that there are people, products, and services behind those numbers. "There is too much concentration on fact gathering or technique learning which deal with evaluating the tangible aspects of business. Not enough time is spent on teaching students how to think, analyze, and deal with the intangible aspects of business such as people, productivity, quality,

and product value."<sup>2</sup> Short-sighted executives are also a result of narrowly defined majors on the undergraduate level:

Business schools, in general, have done a fine job of creating good financial students and financial executives. However, more emphasis should be given to other functional areas such as manufacturing, technology, human resources, and strategic planning to build the curricula in those areas.<sup>3</sup>

Research: The lack of original research in business schools has been under attack since early reports of the 1950's. In response to increasing criticisms of narrow curriculum and teaching orientations, a much greater emphasis was placed on academic research. Business schools adopted traditional means to tenure faculty - the way to obtain tenure fast was to publish. Many schools now have research requirements for their faculties. However, these requirements seem to address the quantity of research done rather than the quality. As a result, research volume is up while applicability to the world is down. Theoretical research vs. applied research has become a noted argument. Academic business journals have increased significantly in the past ten years. However, they have remained mostly "in-house" vehicles rather than a means of communicating with business leaders. "The serious policy issues tend not to be addressed in academic journals."<sup>4</sup> Rather, it seems that in order to fill their publication requirements, faculty must search for noncompetitive issues on which they can demonstrate "scholarly expertise" through narrow hypothesis and often irrelevant data.

For the most part. . .the research in business administration during the past twenty years would fail any reasonable test of applicability or relevance to consequential management problems or policy issues concerning the role of business nationally or internationally.<sup>5</sup>

The assessments of business journals have not concurred that all research by business faculty is worthless, just profoundly overemphasized.

Employability: In an article for Personnel entitled "How Well Do Business Schools Prepare Graduates for the Business World?", Gary Benson tells us that the current crop of business school graduates are facing a dilemma: even though they have met all the educational requirements for a business degree, they can't find jobs. This idea magnifies when we include MBA graduates. Says Elizabeth Fowler, "The business world consensus is that there is an oversupply of MBA's whose quality is questionable. . ."6 Benson also states that 50-70% of graduates will change their employment either on a voluntary or non-voluntary basis within three years after they start post-graduation jobs.7 The Business Programs Office of the University of Wyoming did a study which revealed that the cause of this problem may well lie in the curricular design and course offerings of business schools and their relative perspectives. Business school "number-crunchers" are simply not as employable as graduates who are prepared with a broader-based program that includes operations management. Jack Reichert, Chairman of Brunswick Corporation, says, in defense of small business or entrepreneurial programs, "Many executives applaud any movement away from a numbers-crunching orientation at Business Schools. These courses at least put an emphasis on people management and that's healthy."8

## ASSESSMENT OF CORPORATE AMERICA'S VISION

The apparent disappointment of the corporate world in the graduates of today's business schools may reflect a more critical view of U. S. business itself.

What They See: Business leaders are not satisfied with today's graduates for many reasons. First, business schools fail to stress "people-skills". Consequently, students do not have the ability to communicate and to work well with other people. They rely excessively on mathematical skills to apply to theoretical situations, and have a high level of expectation for promotions.<sup>9</sup> Critics also say that these students have been well trained in quantitative analysis, but fail to see a need for qualitative factors and value judgements. "Graduates seem inept and uncomfortable where they must balance corporate and social goals."<sup>10</sup> This is largely due to a lack of attention to inter-personal relationships and the development of the individual. It is often said that people who fail in business, fail not because of lack of technical skills but rather because of lack of people skills. Business sees far too many students who have all the intellectual and technical skills to be successful, but are unable to communicate their ideas and conclusions. Another common criticism of business graduates and, later, executives is the fact that they are trained to look only at the short-run results. Students are taught to view management from a theoretical and financial standpoint. This approach severely limits creativity and the ability to see problems through a long-run prospective.

In the midst of today's recession, it seems that foreign competition

is getting the best of the American Corporation. Therefore, says Larry Hastic, Vice-President of Corporate Development of the Bendix Corporation:

When business people who have graduated from business schools are viewed as being short-sighted, not global, not socially sensitive, and not culturally attuned-- it is a national disgrace that we business and academic leaders allow ourselves to squander a precious resource: the creative minds of business oriented individuals in the academic world.<sup>11</sup>

What They Want: What is the magic formula for producing business graduates? Obviously, there are many, and none of these theories are fool-proof. However, there are a few areas where business schools can be more effective. Corporate leaders have consistently requested: the ability to communicate, to think and to analyze, to deal with uncertainty, to be creative, to make decisions, to motivate, to relate theory to practice, to lead and inspire subordinates, to work effectively with peers and superiors, and to take a broader, more humanistic view of the corporation. Furthermore, the inefficiency of business students can also be reversed by teaching students how to learn and how to commit themselves to continued lifetime education and development.<sup>12</sup>

Ways to Fulfill The Vision: Perhaps business schools do not deserve all the blame. If businesses have been disappointed in the business school graduates, perhaps they need to research other alternatives. To facilitate the improvement of the quality of graduates, CBS has recently announced a \$750,000 grant for the purpose of establishing a Corporate Council on the Liberal Arts at the American Academy of Arts and Sciences in Cambridge, Massachusetts. This project is under the chairmanship of President Emeritus of CBS, Frank Stanton, and is joined by eight other companies-- American Express, AT&T,

Exxon, General Foods, General Motors, Honeywell, Johnson & Johnson, and the Prudential Insurance Company. According to an address given by Thomas H. Wyman, Chairman of CBS, Inc.:

Our goal was to establish a resource for examining the influence which a liberal arts educational background has on effective business leadership. . .We felt that the work of the Council would encourage liberal arts institutions. . .by putting into better perspective for students and their parents the specific strengths of liberal arts education as they relate to the corporate world. . .And we see it as an expression of corporate interest in the relationship of liberal arts to business.<sup>13</sup>

Undertakings such as the CBS Council on the Liberal Arts show not only the corporate world's concern for quality education for business executives, but also the willingness to help in the development of better programs.

Interestingly, the recent CBS project is not the first to suggest a relationship between liberal arts and business. In 1959, studies by the Carnegie Foundation and the Ford Foundation on American business education reported several observations. Among these findings was one stating, "there is a tendency to lose sight of the importance of general background in a student's preparation-- perhaps suggesting that a more liberal arts background is desirable."<sup>14</sup>

LIBERAL ARTS EDUCATION

Thirty year old studies and recent reports have acknowledged the value of liberal arts education to the business world. Reverend Theodore Hesburgh, President of Notre Dame recently wrote:

As we go from a goods-producing to an informational processing economy, from hierarchial management to decentralized entrepreneurship, from lifetimes at one desk to multi-faceted careers, we come to prize more and more those whose education has been concerned with the shared human experience of the community,. . .of time, of nature, of value, of symbol, and of belief. 15

What are the attributes of liberal arts education? Thomas Wyman lists:

- . An open, enquiring, and flexible mind
- . The possession of broadly applicable skills
- . The exercise of individual judgement- sensitive and thoughtful
- . The adaptability to change
- . An affection for the arts
- . The ability to write and to speak clearly- and to read.

I would add to those:

- . The ability to define, research, and analyze a problem and to present logical, articulate conclusions.

What seems especially evident from the research is that the desired traits businesses look for in graduates and the attributes of liberal arts education are quite similar.

We need students who have a broader perspective- who understand history and how to use it, who understand other cultures and how to relate to them, who understand political science and how to interface with politicians and government and who understand technology and how to capitalize on it.16

Not only does this viewpoint advocate the specific courses of study within the liberal arts, but also the very type of education required by liberal arts institutions. The report by the Carnegie Foundation and the Ford

Foundation in 1959 spoke of education as self-education that must be continued throughout life. It also gave some insight as to how learning should take place. According to the report, less emphasis should be placed on detailed aspects of subject matter and more emphasis placed on developing problem-solving abilities to face dilemmas later in life.<sup>17</sup> Corporations feel there is a need for the study of history, science, culture, communication, and the humanities as a way to improve business skills. How can these courses give insight to business students? By learning about other cultures we help to alleviate our sense of "cultural imperialism". A sense of history allows students to better analyze and adjust to future changes. The study of science encourages innovation. Humanities and communication improve our day-to-day dealings with people.<sup>18</sup> It is not the subject matter but the process of learning these subjects that produces the desirable attributes of liberal arts students.

The University of Wyoming sent a survey questionnaire to personnel managers of 175 of the largest employers in Wyoming. Data was collected on which factors or skills were most important in helping graduating business students gain employment. Both oral and written communication skills were found to be most important, next was work experience, energy level, technical competence, and persistence/determination. Interestingly, of secondary importance to these managers were factors such as: degree held, GPA, and accreditation.<sup>19</sup> Perhaps the academic community is putting too much emphasis on these secondary factors and not enough on communication skills. This is one of the conclusions drawn by the University of Wyoming's report.

Another enlightening study was done by the National Institute of Education on the subject of college students' scores on standardized tests used for graduate and professional schools admission. According to this report, scores fell from 1964 to 1982. Of more importance, however, are

some of the reasons cited for this decrease in scores. "The reason seems to be that students who major in the professional and occupational disciplines, which have grown rapidly since the 1970's, have lower scores than do arts and science majors."<sup>20</sup> The report was prepared by Clifford Adelman, a senior associate at the Institute for the agency's Study Group on the Conditions of Excellence in American Higher Education. Mr. Adelman felt that factors such as race, sex, religion, etc., did not have an effect on test score changes. He felt the undergraduate major of the student was the best source of the change. Professional fields including business majors, were found to "consistently underperform" more traditional liberal arts majors. According to Adelman, "The arts and sciences. . .are 'characterized by formal thought, structural relationships, abstract models, symbolic languages, and deductive reasoning'."<sup>21</sup> To emphasize the difference in scores as they relate to majors, it was found that in 1981-1982, "the mean score of philosophy majors on the verbal portion of the G.R.E. was 17.6% higher than the overall mean. . .and business-administration majors scored 9.1% below the mean."<sup>22</sup> It seems to follow that the better backgrounds for communication skills are found in liberal arts curriculum rather than business school curriculum.

Two additional sets of findings are relevant to the liberal arts and business issue when viewed together and in concert with Thomas Wyman's address. First, there has been a steady decrease in liberal arts majors. The National Center for Educational Statistics states: ". . .'during the 15 year period ending 1981-1982, the undergraduate majors of college students shifted significantly. There was a discernible movement away from. . .traditional arts and sciences, while the number and percent of students who majored in business and management. . .increased substantially'."<sup>23</sup> Two facts actually are stated here. Not only is there a decrease in liberal arts education, but there is

also a marked increase in business majors. In 1982, the Cox Report on the American Corporation found that employees hired on the basis of a particular major, (finance, marketing, accounting) "result in executives who are not properly developed to assume general management responsibilities later on."<sup>24</sup> An underlying conclusion of the two reports may be that corporations have greatly added to their own dilemma by adopting hiring practices which encouraged an increase in business majors and a move from broad-based education to narrow fields of study.

## INNOVATIVE LIBERAL ARTS/BUSINESS PROGRAMS

Fortunately, not all business schools have been deaf to the requests of corporations. Equally as fortunate, many businesses have followed up their own recommendations by changing their hiring practices and by developing further research projects. Three such collaborative ventures are detailed below.

Recently, Ball State University has joined several other universities and business schools in developing and implementing a program of study combining an undergraduate liberal arts major with a MBA in five years. The University of Arizona, University of Denver, University of Illinois, and Columbia University also endorse such a cooperative venture between liberal arts and business. The 3/2 program is designed to both capitalize on the resources of a liberal arts education while recognizing Corporate America's desire for technical business skills. In my opinion, this is an excellent opportunity to integrate the attributes of liberal arts and business education.

Increasing numbers of PhD's in liberal arts are now entering the business world. According to a report entitled, "Corporate PhD: Making the Grade in Business," by Carol Groneman and Robert N. Lear, "About half of the 13,000 or so humanities PhD's working outside colleges-- their traditional labor market-- are now employed in business and industry."<sup>25</sup> The positions they hold range from advertising to banking to insurance. "While corporations have traditionally hired PhD's in economics or political science, they are now hiring more anthropologists, historians, philosophers. . .and others."<sup>26</sup> Although this report dealt with Doctorates instead of undergraduates, the basic idea seems to support the employability of graduates in the liberal arts. Business

corporations are slowly learning their mistake in seeking clones of their own executives:

In their fear of bringing "weirdo" to Milwaukee, recruiters often end up with younger versions of the pinstriped policy makers they already have. The somewhat different recruits - the vibrant, interesting people- may be the ones who turn the company around in ten years.<sup>27</sup>

CBS acted on their desire for better executives by developing an experimental Faculty-in-Residence Program for employee development. Among their first guests were four distinguished liberal arts professors including a historian, a professor of humanities, a sociologist, and an expert on the eighteenth century. "By casting the liberal arts in terms of real issues which affect CBS, the faculty members were able to facilitate the exploration of those issues for us- and for themselves."<sup>28</sup> Lectures on such topics as Plato, Dante, and Genesis were applied to everyday thoughts. The results were very enthusiastic. One employee wrote about the program: "'I once had a conversation with an artist who tried to explain to me that he didn't paint the trees, he painted the space between them. . .Thank you for helping me to see the space between the trees.'"<sup>29</sup>

## CONCLUSIONS

There is a need for more systematic research about the most appropriate educational background for employment in Corporate America. The offerings of business schools must be more relevant to actual business practice. Many universities such as Cornell, Stanford, and Columbia have already started "turning away from numbers and putting emphasis on operations management."<sup>30</sup> Colleges and universities must regain an emphasis on teaching and reevaluate incentive programs by rewarding good teachers instead of the volume of research done by faculty. This is not a call for business schools to become trade schools. Instead, there is a need to blend more general education with functional business courses in order to emphasize creativity and retreat from the narrowness of today's business disciplines. New curriculum ideas such as Ball State's 3/2 program can help to effectively achieve this combination of studies. However, the same opportunity needs to be developed in our undergraduate programs.

The fact that graduates are unprepared for the business world is not the fault of business schools and universities alone. The work of such projects as the CBS Council on the Liberal Arts must be supported. "Business leaders need to take concrete action to encourage needed change in the education of our students."<sup>31</sup> Ideas such as an executive-in-residence program for universities or a faculty-in-residence program for corporations will facilitate the sharing of knowledge, problems, and opinions between these two worlds and aid in producing better, well-informed students and future executives. According to Thomas Wyman, "The future leadership of Corporate America will depend on those who have experienced the varied rigors of a liberal arts education as opposed to narrower, more specialized courses of instruction."<sup>32</sup> He also reiterates the need for more research on the relationship between liberal arts

education and business leadership. Without such study, college students and potential liberal arts majors, still feel this type of background will stifle their employability. Further, without research support, most corporate leaders will continue to ignore a potential resource that may be invaluable in future years.

Business schools are definitely lacking in producing graduates who can operate successfully in the corporate world. Narrow disciplines need to be expanded to allow more emphasis on communication, analysis, and logic skills. Liberal arts education enables the graduate to acquire the necessary attributes that the business world desires. Further studies on the relationship between a liberal arts education and business success should provide results that support these conclusions. Gradually, more and more businesses and universities will realize the value of this special relationship.

Alfred Sloan, Chairman of General Motors, once wrote:

"When the annals of our time are recorded, it will most likely be found that the two greatest contributions of our time were the U.S. university and the U.S. corporation: both mighty forces, both uniquely American. If these two forces can go forward together in understanding and cooperation, there is perhaps no problem beyond their joint power for resolution. If however, they choose to go their separate ways, there is no solution of any problem affecting either that is likely to be long lasting."<sup>33</sup>

## FOOTNOTES

- 1 Jack N. Behrman and Richard I. Levin, "Are Business Schools Doing Their Job?," Harvard Business Review, (January-February 1984) 140-147.
- 2 Larry K. Hastic, "A Perspective on Management Education," Financial Management, (Winter, 1982), 56.
- 3 Ibid.
- 4 Behrman, Harvard Business Review, p. 141.
- 5 Behrman, Harvard Business Review, p. 143
- 6 Elizabeth Fowler, New York Times, June 30, 1982, p. 18
- 7 Gary L. Benson, "On the Campus: How Well Do Business Schools Prepare Graduates for the Business World?," Personnel, (July-August 1983), 62
- 8 "B-Schools Try to Churn Out Entrepreneurs," Business Week, (March 5, 1984), 102.
- 9 Hastic, Financial Management, p. 58.
- 10 Behrman, Harvard Business Review, p. 142.
- 11 Hastic, Financial Management, p. 59.
- 12 Behrman, Harvard Business Review, p. 142
- 13 Thomas H. Wyman, "Liberal Learning and the Corporation," an address on the occasion of the presentation of the Benjamin Rush Award, Dickson College, November 14, 1985.
- 14 Hastic, Financial Management, p. 64.
- 15 Wyman, p. 4.
- 16 Hastic, Financial Management, p. 65.
- 17 Hastic, Financial Management, p. 60.
- 18 Behrman, Harvard Business Review, p. 142.
- 19 Benson, Personnel, p. 64.
- 20 Jean Evangelauf, "Scores on Graduate Admissions Tests Fell From 1964-1982, NIE Study Finds," The Chronicle of Higher Education, (January 30, 1985), p. 23.

FOOTNOTES

- 21 Ibid,
- 22 Evengelauf, The Chronicle of Higher Education, p. 25.
- 23 Wyman, "Liberal Learning and the Corporation," p. 4.
- 24 Ibid.
- 25 Beverly T. Watkins, "For PhD Holders in Humanities, Success in Business Seen Based on Graduate-School Skills, Not Knowledge," The Chronicle of Higher Education, (February 5, 1986), p. 23.
- 26 Ibid.
- 27 Behrman, Harvard Business Review, p. 143.
- 28 Wyman, "Liberal Learning and the Corporation," p. 5.
- 29 Ibid.
- 30 "Hard Times Push B-Schools into Basics," Business Week, (August 30, 1982), p. 33.
- 31 Hastic, Financial Management, p. 57.
- 32 Wyman, "Liberal Learning and the Corporation," p. 2.
- 33 Ibid., p. 5.

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