

Dividend

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“**T**hree months into your first job you discover the nice guy who hired you is a no-talent alcoholic . . . you reach middle-age and discover you hate what you’re doing . . . you become a brilliant success only to find out that you have neither the time nor the knowledge to manage your six-figure income . . .”

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BBA student Michelle Jenkins is pictured here at her desk at the Ford Plastics Plant in Milan, where she worked last summer as a production supervisor (foreman). For more on the BBA program and the students in it, see page 10.

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Vol. X, No. 3

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Things You Never Learn in Graduate School 4

by Ann C. Brown, MBA, '58

No graduate school of business, no matter how good, has yet devised a way to teach "Real World" in the classroom. Here Ann Brown, MBA '58, who writes a column for *Forbes* as well as being executive vice-president of a New York investment firm, explores some of the lessons that your MBA degree didn't cover.

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Things You Never Learn in Graduate School

By Ann C. Brown, M.B.A. '58

Executive Vice President, Melhado, Flynn & Associates

Three months into your first job you discover the nice guy who hired you is a no-talent alcoholic. Your secretary turns out to be a nymphomaniac and is carrying on a torrid affair with your best customer. You reach middle-age and discover you hate what you're doing. You become a brilliant success only to find that you have neither the time nor the knowledge to manage your six-figure income. You devote twenty years of hard labor to a company only to have the big promotion go to someone ten years your junior. You get hypertension, diabetes, ulcers, colitis or gout. You know lots about John Maynard Keynes—and maybe even a little about John Kenneth Galbraith—but can't tell the difference between John Denver, John Travolta, John Fowles, Elton John, Jon Vickers, and Jasper Johns.

Nearly half my lifetime ago I stood sweltering in gigantic Ph.D. hood (due to a slight clerical error) waiting to get my M.B.A. degree in the cozy intimacy of Michigan Stadium. My mind was chock full of business facts and figures, the greater majority of which I have had about as much occasion to use

over the years as I have my high school proficiency at sinking basketball free throws. Don't get me wrong. The University of Michigan has a fine Graduate School of Business Administration. One of the best in the country according to rankings I read. But no graduate school of business, no matter how good, has as yet devised a way to teach "Real World" in the classroom, and probably never will.

As things now stand, an M.B.A. degree primarily prepares you to be an employee but not an employer. The minute you get a job with a secretary or even access to the typing pool you automatically become an employer. You have to learn on your own how to deal with loafers, liars and lost souls. You have to learn how to be fair, tough, considerate, inspiring, gentle, realistic and compassionate. Your employees will have more personal problems than you ever dreamed existed and, chances are, you as the employer or commander-in-residence will be consulted on every single one of them.

Even as an employee you will discover things your M.B.A. studies didn't cover. For example, in

graduate school the people you are immediately responsible to are a number of professors occupying what I choose to call "horizontal authority" roles. They are there to review your projects, read your reports and to offer analytical, thoughtful and relatively dispassionate constructive criticism on the quality of your work. In a sense you as a student serve many separate masters and, if you don't happen to see eye-to-eye with one of them—oh well, it's only one course, one grade. In business, however, you find yourself in a "vertical authority" situation—working for only one person who is responsible to another person and so on depending upon the size of the organization. In addition to some pretty terrific people, at one time or another in my various careers, I have worked for workaholics, idea snatchers, dilettantes, back-stabbers, neurotics, grumps, manic-depressives, cheats and megalomaniacs. Somehow I've managed to survive—don't ask me how—but I have seen any number of very talented and capable persons lose out because of the inability to effectively interreact with unpredictable staff, superiors, and peers.

An M.B.A. degree also cannot teach you how to cope with the failure to achieve your youthful aspirations. In graduate school there was competition to be sure but, deep down, you knew that most of the class would be there on graduation day. In the business world your fellow workers don't lend you a hand like they did as students to help you pass the statistics exam. Most recent graduates learn only too quickly that in corporations there is "No Room at the Top," contrary to misleading movie titles. After all, there are only about 450 companies in the *Forbes* 500 looking for outside leaders (the other fifty are family controlled enterprises like Ford, Weyerhaeuser and W. R. Grace) so the number of Numero Uno spots available is a tiny fraction in the universe of aspirants. When you find out the room at the top is really a closet, chances are your mid-life career crisis begins. Onwards and upwards for all but a few has turned into "settling for" and eventually "holding on" to whatever level you have managed to reach. The more venturesome types change jobs after they have been passed over or see that there is little, if any, possibility of advancement. Others among the occupationally disillusioned change spouses to relieve the horrifying prospect of living with the status quo for the rest of their lives. And a few truly disgruntled folk decide to chuck the whole scene altogether and become vintners in the Napa Valley or proprietors of quaint Vermont general stores.

For the handful who do make it into the megabuck category, graduate school does not teach you how to make the most out of what you make. Once you find yourself a big success your problems increase proportionately. You are besieged on all sides by sellers of oil and gas drilling programs, lemon groves, cattle herds, real estate, race horses and Broadway (or Hollywood) productions. At the same time you are trying to contend with complicated wills, trusts and estate programs, stock option plans, deferred compensation packages and insurance

policies. All the while you're trying to outwit inflation by knowledgeably placing a certain percentage of your assets in paintings, sculpture, jewelry, oriental rugs, first editions, Chinese porcelains, stamp collections, gold and the stock and commodity markets. Because you're "in the business" you're expected to know about all business. No way. It's like a general practitioner performing brain surgery just because he's a doctor.

And, if this isn't enough for the successful to handle, you are constantly being set upon by charitable organizations to join their boards of directors or trustees and give of your time as freely as they secretly hope you will of your money. Even "for-profit" institutions are after you to join *their* boards and lend your presence and prestige to their companies. You are asked to give speeches, moderate panels, write treatises for learned journals and become an officer of industry associations. Where, oh where, in graduate school does it teach you how to say yes and no when others seek your advice and counsel?

Graduate school does not teach you that the wheels of corporate progress grind exceedingly slow. After having been in school for eighteen years who can blame you for your impatience to "accomplish" something. You have been taught largely by the case or problem method which gives enough pertinent facts to arrive at a rational, objective and sensible solution—except that business doesn't exactly work that way. Particularly profitable business. There is an overwhelming tendency to continue in the future what has been successful in the past until some outside calamity like the oil embargo or competitive pressures forces a change. Since most M.B.A. students are hired by profitable rather than unprofitable organizations you can expect to encounter considerable frustration in trying to perform your job. You have been educated to see specific parts of a corporate picture but not the whole picture nor a picture colored by such exquisitely human



About the author: The 40th edition of *Who's Who in America* lists Ann C. Brown twice—once on her own merit and once as the daughter of George Hay Brown, the noted educator, economist, and former Director of the U.S. Census. To the best of *Dividend's* knowledge, the Browns are the first father-daughter combination (excluding Henry and Jane Fonda) to appear in *Who's Who* at the same time. Ann is executive vice-president of the New York investment firm of Melhado, Flynn & Associates, Inc. and writes a widely-read financial column for *Forbes* magazine. Although she is first and foremost a "working stock-broker," she enjoys writing about the stock market in her spare time because it combines her previous career as a copywriter for Batten, Barton, Durstine & Osborne, Ogilvy & Mather and Benton & Bowles with her current knowledge of what's happening on Wall Street.

"An MBA degree also cannot teach you how to cope with the failure to achieve your youthful aspirations. In graduate school there was competition to be sure, but, deep down, you knew that most of the class would be there on graduation day. In the business world your fellow workers don't lend you a hand like they did as students to help you pass the statistics exam?"

factors as tradition, pride, jealousy, fear and nepotism. For example, take the marketing major who spent many long hours proving that television advertising was not producing the desired results for his company's products and that the money would be better spent by increasing the sales force. The research was flawless, the logic was impeccable and the conclusion textbook-perfect *except* that the Chairman of the Board of Directors enjoyed seeing television commercials about his products and reveled in the plaudits he received from his friends at the country club on the originality and creativity of the 60-second spots.

Or take the financial trainee whose analysis showed that a substantial (and affordable) boost in the dividend of Company X would likely result in a sizeable increase in the price of the company's stock. Unfortunately, the company had never increased its dividend by more than 5% in any year since it was founded and the powers-that-be were not about to tamper with what they considered a winning formula—especially on the recommendation of a "kid." Which reminds me—M.B.A.s should be warned not to expect their ideas to be taken seriously until at least five years after graduation, if then.

An M.B.A. student is never even remotely taught how to take care of his or her own physical plant and

equipment. As a result there is a tendency to eat and drink too much too fast, to exercise too little too late, to vacation too infrequently, and to die or generally come apart at the seams too early. Gradually the concept of preventive medicine is creeping into company corridors. Books are now being written *on* Type A and Type B individuals and on the effects of prolonged stress. I've always marvelled at the fact that professional athletes are forgiven faulty knees, sore arms, broken collarbones, pulled muscles and sprained ankles while corporate counterparts reap only contempt for developing any of a variety of their occupationally-caused illnesses. Maybe it's because these are mainly diseases that can't be seen—even if they are more frequently fatal.

A corollary to physical well-being is mental well-being—most notably a balanced approach to life in general. An M.B.A. is never taught how much time to spend on work, family and outside hobbies and interests. I have never forgotten a true life story concerning a vice-president of a large manufacturing company whose only son was killed instantly in an automobile crash some years ago. The executive was in Europe at the time negotiating a multi-million dollar contract with a foreign government. When reached and told of the tragedy, he decided his company commitments

took precedence and he did not fly home for the funeral. It's difficult when you get caught up in the game of business to make time as well as money for your nearest and dearest. Time is a limited commodity which must be apportioned and spent with special care because, unlike money, it is irreplaceable. There are no courses in graduate school on how to lead a well-rounded life but there should be. Of course, much depends on the nature of your work but more depends on your own individual goals and values. Whether to stay single or marry, whether to marry early or late, whether to have children or not, are very heavy decisions. By squarely confronting these often conflicting alternatives early-on you can save a good deal of unhappiness not only for yourself but also for a lot of people around you. In the case of dual-career marriages it is doubly important to get things hashed out in advance.

Another aspect of this delicate balancing act is to try to avoid becoming a business bore. Look out for the trap of becoming too one-sided. Unless you've taken some time and effort to develop non-business interests and non-company friends you are likely to end up bored with yourself—a very lonely, exceedingly dull and easily forgotten person. Once on a vacation to New Zealand in the stillness of the awesome Southern Alps, I had an opportunity to reflect upon just how short life really is. I made up a schedule of my normal daily events and discovered much to my surprise and dismay that after working a ten-hour day (including commuting time) and sleeping a seven-hour night only seven hours were left for bathing, eating, dressing, household chores, shopping, cultural events, parties, charitable projects, movies, haircuts, banking, television viewing, doctor's appointments, sports and reading—not to mention any conversation with family and friends. Worst of all, it left practically no time for thought and contemplation or for writing articles on things—for instance, the things you never learn in graduate school.

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• They Both Take a Longer Time.

*An Interview with C. K. Prahalad
Associate Professor of Policy and Control*

Editor's Note: C. K. Prahalad, associate professor of policy and control, is particularly interested in management styles and the value assumptions that lie beneath them. After receiving his DBA from the Harvard Business School in 1975, he spent several months talking to Japanese managers in Japan as well as Japanese managers overseas. He had researched methods of formulating strategy in a diversified American based multinational company, and wanted to see if similar concepts applied in Japan, as well as to explore the meaning of strategy for top management in such a setting. Here he shares some of his thinking on how values affect management styles, and discusses how he attempts to incorporate these perspectives in the classroom. Before going to Harvard for his doctorate, Prahalad held several management positions in various firms in India over a period of nine years.

Q. *You say that values issues should be dealt with explicitly in every classroom. Why?*

A. You can have knowledge, but the use of knowledge requires values as a touchstone. Corporations have enormous power, and it's important for them to use it responsibly. Business education is very value loaded.

Q. *You mean we already teach values in the classroom?*

A. No, not explicitly, but every course has implicit within it values about how we deal with others, how we deal with institutions, and how institutions deal with society at large.

Q. *Isn't this a bit difficult to teach in a classroom-setting?*

A. Yes. Values are tricky to deal with in the classroom, but there are ways of explicitly dealing with values, especially in a case course. We have available today case materials from different cultures that are comparable in quality to good American cases. I have been experimenting in the business policy course I teach by giving students some cases from

other cultures. Keep in mind that the cases are written by people within the culture—for example, the Japanese case was written by a Japanese professor for use in a Japanese business school—so the language and concepts used are directly from the Japanese culture.

Q. *And how do you use these cases to teach values?*

A. In exploring differences between how managers from different cultures behave, a student can discover how and why values assumptions are critical. By exploring these assumptions in other cultures we can get a better idea of our own assumptions. I would like to emphasize that I don't think we should confine ourselves to discussing values only when discussing a case from another culture—values should be dealt with in every class as and when the subject comes up—however, the subject doesn't come up spontaneously.

Q. *Why do you think that is?*

A. I have never had a student bring up a values issue spontaneously in the classroom—this is not to say they

don't *think* about them, but it's not "done" to bring them up. Somehow everybody feels uncomfortable talking about values—it's as if such a concern makes you a soft person somehow. It's also difficult to teach values because of the need to live what you teach.

Q. *In what way?*

A. Suppose the question comes up as to how a manager should deal with the anxieties of other people. As soon as you start believing that anxiety is an important issue to deal with, you're into values. But a teacher can't talk about anxiety as an important issue and then not care at all about the anxieties of *students*, so the whole teaching of values becomes quite complicated and far reaching.

Q. *Let's talk for a minute about the Japanese case that you use, and how you use it to discuss values.*

A. Students are asked to compare cases about two high-performing, profit-oriented organizations operating in consumer electronics. One is an American company, the other Japanese, and they are compared along certain value dimensions, such as differences between the two firms in concepts of failure and of performance; in concepts of the individual and individual worth; their approaches to inducing performance. A comparison of these two cases reveals different value structures underlying the behavior of the two companies.

Q. *Can you elaborate a little?*

A. Take the concept of performance. In the U.S., we seldom differentiate between the performance of an individual and the performance of a business (or department) for which he is responsible. If for some reason the business is doing poorly or not meeting its budget, the person to get the heat is the manager responsible. Its failure is considered to be the same as the failure of the individual, and that person may find his or her compensation affected, bonuses reduced, or may even be fired. But the variables that affected his perform-

*"Somehow everybody feels uncomfortable talking about values-its as if such a concern makes you a soft person somehow?**

ance may have nothing to do with the capability of that manager. Short term success or failure may not tell us anything about his/her managerial capabilities. For example, petrochemical companies made huge profits after the oil crisis, and that was no reflection on any divisional manager's ability. Conversely, the oil crisis had devastating effects on some other companies, and again it was not a reflection on a divisional manager's inability.

Q. *And what is the concept of performance in Japan?*

A. Business performance is typically separated from individual performance. When evaluating a person—a manager—a very long term view is taken. It is quite conceivable for a business to be doing badly in a year, and for a manager still to receive pay increases and be considered very useful to the company and even be assigned to a more important job. This separation of the evaluation of business performance from individual performance has several advantages to the company.

Q. *What, for example?*

A. When success of the business and success of the manager are tied together, it would be a very rare manager who would share any doubts he had with higher-ups. He would certainly not go to higher-ups and say, for example, "I think commitment of additional resources to this business is inappropriate for us and we should get out of it," because he would see his own future closely tied to the future of that department. But if the

two were separated, then the manager could say such a thing without fear of loss of security or social status. Of course this would improve feedback within the organization.

Q. *What about the manager who is, frankly, incompetent?*

A. In Japan, they take a long time to study people before they give them a position of responsibility. It would be very surprising, for example, to see a 30-year-old division manager in Japan. More time is needed to study the person and to understand whether he can be a leader—to see whether he can be what they call a "round person." To the Japanese, a sphere is a perfect shape—there are no sharp edges that can hurt other people, and a person like that would, in their view, be able to draw upon the resources of *all* the people in the company and thus be much more effective than an otherwise competent department manager who threatens everyone by his presence. In Japan, growing a manager is like growing a tree.

Q. *Like growing a tree?*

A. Yes, it takes time to grow a strong tree, and it takes a lot of nurturing and care in the early stages for it to grow in the right direction, even if the seed is very strong. You can have a very intelligent young person with much promise, but if that person is not nurtured properly, you might not have a good manager. There is a story about an American consulting company with offices in Japan. They were trying to recruit a young Japanese manager from a Japanese firm. The chairman of the Japanese company for which this manager worked telephoned the American who was trying to recruit him and said, "We think this boy is a young sapling who can grow into a strong oak tree. Will your company help him grow? What are your plans for him for the next twenty years?" Most firms don't think in this way.

Q. *How do young, promising people feel about waiting 20 years to become a manager?*

A. Young people in Japan are

questioning a lot of the old ways, and they are asking why they have to wait so long. But the question of what a manager should be is opened up by an examination of the Japanese view, and it is a valuable question to explore in class, because it makes us aware of value assumptions we hold, perhaps without even realizing that they *are* assumptions. Often, it seems to me that what MBA students lack is not knowledge of techniques; what they lack is a sense of perspective *about themselves*. Some consideration of values in the context of case studies may help them develop this perspective.

Q. *Can you give me another example of value assumptions underlying management?*

A. The emphasis on the individual as part of the group, which is a strong aspect of Japanese management, vs. the western emphasis on the individual as an individual, makes a difference in how decisions are made. In Japan, it is very important to have consensus within the company before action is taken. In the U.S., an individual (or several individuals) can make a decision, and then the decision is implemented by subordinates, who may not have been consulted. This difference has important consequences.

Q. *How does this work out in management practice?*

A. The process of getting a consensus is very time consuming in Japan, because an idea must go through so many iterations and people for approval before it can be implemented. In the U.S., decisions can be made much more quickly. However, once a decision has been made in Japan, it can be implemented almost immediately because everyone knows exactly what their role is and why the decision was taken. After all, they contributed to the process of making the decision. In the U.S., implementation may run into all sorts of snags. People may not pull their weight, there can be dissatisfaction with the decision, and implementation may be costly and time consuming. In Japan, the time lost in making the decision

can be made up in swift implementation. The way decisions are made in Japan also affects their concept of failure.

Q. *In what way?*

A. In Japan, the *group* fails, whereas here the *individual* fails. And in Japan, group pressure is a big factor in inducing performance. In America one way of inducing performance is by incentive compensation—another is fear of losing one's job/status or both. The emphasis on the group in Japan leads to a very cooperative internal structure, where everyone is expected to work in ways "combining the skills and knowledge of all." Survival of the group or company is a key value. Externally, of course, the Japanese company is fiercely competitive. In America companies are competitive externally, but also there is fierce internal competition. Cooperation among departments is not necessarily a key value.

Q. *What about the concept of lifetime employment in Japan? Doesn't this lead to a lot of problems? To "dead wood" and so forth?*

A. Once you accept that cutting back people is not one of your alternatives, you become very growth oriented, because long term tenure of your employees can be supported only by growth. Otherwise a company could become top heavy. So emphasis on growth, it seems to me, is one result of a policy of lifetime employment. Such a policy also substantially reduces resistance to change. And resistance to change is an enormously

"Once you accept that cutting back people is not one of your alternatives, you become very growth oriented"

costly side-effect of viewing people as just another factor of production, as much subject to cutback as any other aspect.

Q. *Would you elaborate on that a little?*

A. In the U.S., change raises the specter of unemployment and layoff, and people contemplating those alternatives are not going to evaluate whether a new technology is good for the company or not. But if the company guarantees a person economic security throughout a lifetime, and takes the responsibility for upgrading skills and retraining as new skills become available, then there really is nothing to resist.

Q. *Do you think some of these management techniques are applicable in the U.S.?*

A. IBM has been applying many of these methods, and certainly they are a highly successful company. In addition, some Japanese companies who have established manufacturing plants here have found that their methods work very well in this country.

Q. *The strong emphasis on the group in Japan must lead to a certain amount of constraint of individual freedom, doesn't it?*

A. Oh yes. You *have* to conform, and of course that constrains the freedom of self-expression, and there can be a lot of emotional tension generated from such constraint. But we should keep in mind that a lot of emotional tension is also generated from living with the idea of individual success or failure as we do here in America. The question is, which one is better? It's really not obvious which is the right way to go. There is a price to be paid in either direction. But as I said at the beginning of the interview, the purpose of all this is *not* to make judgments about which way is better, but to help MBA students get a sense of perspective about themselves and about the value system in which they live.

The BBA

*"Dear Admissions Office:
My daughter is a freshman at
Michigan. She says you need a
4.0 grade point average to get into
the BBA program. Is this true?"*

Worried Alum"

While the Ann Arbor rumor mill exaggerates, it is true that in recent years most persons entering our BBA degree program have had B+ averages in college with B and A averages in English composition, mathematics and economics. Almost all have had at least one or two semesters of accounting. Besides being bright, they are enthusiastic, lively, and prepared to work very hard. On these pages we introduce you to some of our BBA students and tell you a little about their backgrounds.

Approximately three-quarters of our BBA students spend their first two years in Ann Arbor at one of the other units of The University of Michigan, usually the College of Literature, Science and the Arts. The balance of the class is about evenly split between transfers from other four year colleges and universities and those from the several community colleges in the state. While there is no quota, about seventy-five to eighty percent of BBA students are residents of the state of Michigan. Women students now comprise a little over thirty percent of the undergraduate student body .

Since students do not enter the Business School until the junior year, the School provides pre-business

counseling to college freshmen and sophomores on a regular basis. This counseling has two focuses: first, helping students plan the academic program to meet entrance requirements, and second, helping them to explore a variety of academic options before choosing an undergraduate degree program. Many "pre-business" students find that their interests are better met by degree programs in other units. Many decide to complete degrees in fields such as economics, mathematics, English, computer science or engineering and then earn an MBA degree.

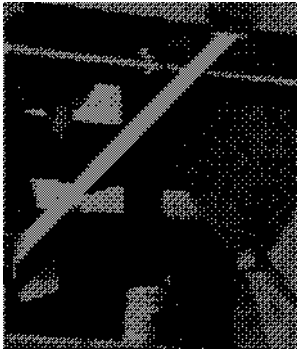
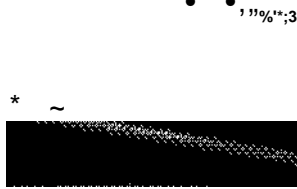
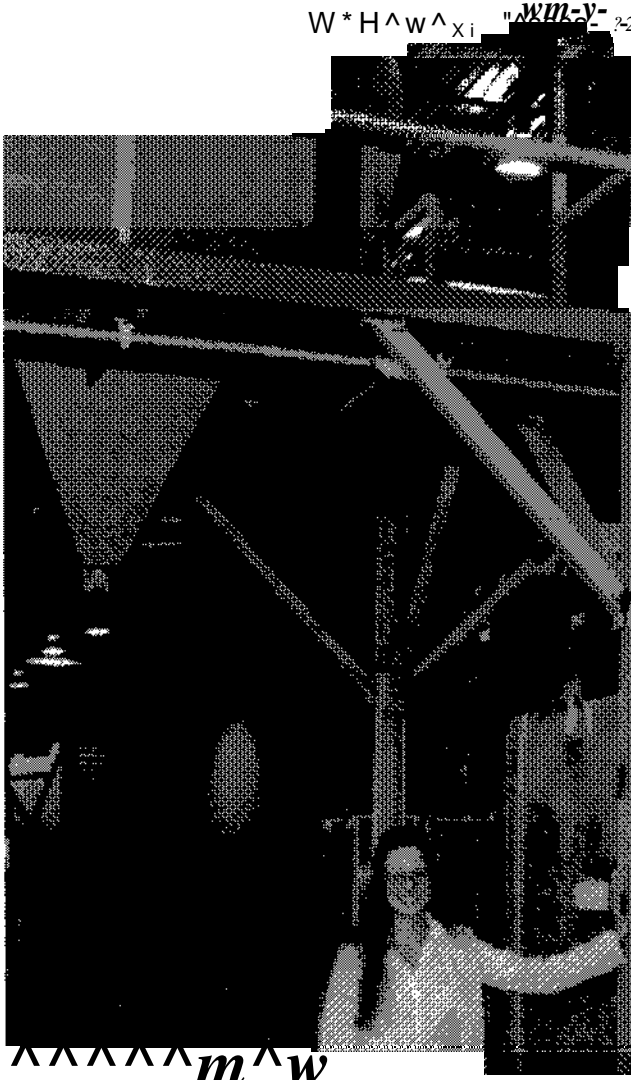
For those who do enter the BBA program, Michigan offers both structure and flexibility. Despite all the talk of accounting or marketing "majors" there are no formal majors within the program. Students must complete forty-two hours of required business courses and at least forty-five business hours in the one hundred-twenty hour program. Beyond that, we allow the individual student great latitude in planning a program. Many students take advantage of these options to elect work in subjects such as economics, psychology, speech, journalism, and art. Others take the maximum of business hours (sixty-six) allowed for the degree.

It is in their extra-curricular and work experience that our BBA students show their great diversity. Despite the rigors of the academic program, BBAs are to be found in most traditional campus activities: participating in fraternities, sororities, and religious organizations; writing

for or managing the *Michigan Daily*; playing in the Marching Band; and even playing varsity sports such as football, baseball, track and hockey. Currently some of our students can be found working as security guards, selling swimming pools, and managing apartment houses. A few women students are both students and mothers, juggling both elementary school and college schedules.

Three of the students pictured on these pages are participants in a scholarship program initiated by the Ford Motor Company. Selected students are employed by Ford during the summer, and then their next year's tuition, fees and book expenses are paid by the Company. The Ford Scholar Program, as it is called, was launched on a pilot basis last summer, and the three BBA students from our school who were chosen as Ford Scholars were Deborah Anne Siegle; Michele Jenkins; and Gary Galleberg.

Responding to the excellent employment prospects of recent years, most BBAs are deferring graduate work and beginning full time employment immediately after graduation. Only about 10 percent of BBAs reporting to the Placement Office in 1978 were planning to begin graduate work in the fall. Of these, two-thirds were going to law school and most of the rest were planning to enter MBA programs. Eventually many of those who entered the job market after graduation plan to return to school to earn their MBA degree.



Michelle Jenkins is pictured on the job at the Ford Plastics Plant in Milan, where she worked last summer as a foreman (officially known as "Production Supervisor"). Her department, in which five people worked, had the responsibility of regrinding rejected plastic parts down into small, reusable pieces. Previously Michelle had worked in the assembly department, and when she applied for the job as production supervisor, she had to take a three hour test on her ability to spot and solve potential problems. How did the men feel about having a woman supervisor? They welcomed it, because the production supervisor makes things go more smoothly by acting as coordinator and facilitator for the department. (Before Michelle came on the job, the department had had no production supervisor, and things were more difficult.) Michelle graduated valedictorian from Manchester high school, and has received a Regents Alumni Scholarship and a Michigan Competitive Scholarship. She has always made up what she didn't get in scholarships by working, and so has held several different jobs, including one in a lithography factory and one in a donut shop. One summer she had a paper route with 500 people on it. This year she was chosen one of three Ford Motor Company Scholars in the BBA program. Selected students were employed by Ford over the summer, and then the Company paid tuition, books and fees for their senior year.

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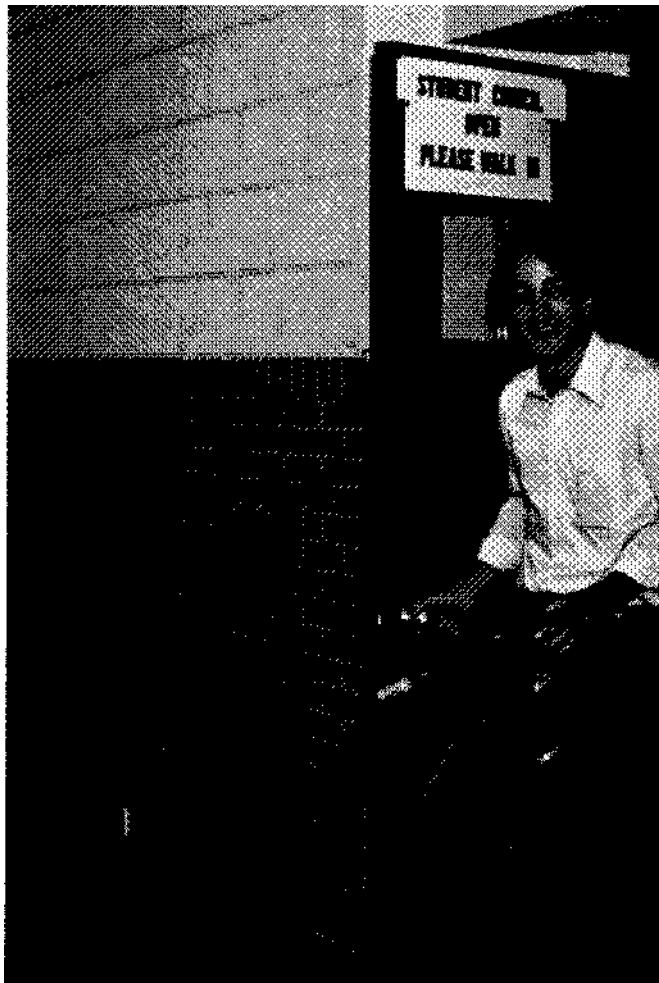
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6'6" X Then I was in the ninth grade, my father used to sit at the kitchen table with his accountant and his lawyer working over the preliminaries of a small business he was starting. I would hang around and listen," says Damian Zikakis, who realizes looking back on this time that he was interested in business even then. When he came to the Business School, he found it harder work than he was used to, but says, "I was able to adjust easily because I was so pleased to be here." After a job last summer with a CPA firm, he says he definitely wants to go into that work. "I didn't realize before, that there was as much personal interaction in accounting as there is," he says. "I had one of the best summers of my life." For the moment, he is putting his accounting skills to work as treasurer of Student Council. For hobbies, he is a student pilot, and he is also learning to scuba dive in Margaret Bell Pool. Margaret Bell Pool? "Yes, it's an underwater class. They even have a speaker underwater so you can hear the instructor" (who is *not* underwater). He is pictured on his way to that class, carrying his equipment.



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66|^lass participation here is very
|-y intense. When a question is
asked, *everybody's* hand goes up to
answer it. It was very scary at first,"
says Laurene Rourke, below, adding
that another new experience for her
was taking tests drawn up by an entire
department instead of by each
individual professor. Laurene has
been active here in extra-curricular
activities, particularly as public
relations officer for AIESEC and as
chairwoman of the job placement
committee for Michigan Business
Women. Last summer she landed a job
("the placement office here is a giant
plus," she comments), as a marketing
intern at Faygo Beverages.
That job allowed her to do market

research testing out different kinds of
labels for Faygo, including designing
her own consumer questionnaire;
and working with an ad agency on
three commercials, starting from the
drawing boards and going all the way
to the final product. She would like
to work in public relations eventually,
but says "you need to know a
company very thoroughly to do that
sort of job well, and I think the best
way to do that is to go into
marketing." She wants to work in
marketing as soon as she graduates,
that is, unless she lands an AIESEC
internship with KLM airlines in
Europe, which is her dream for the
immediate future.



Qi A lot of paper went through that
x\office," says Garry Galleberg
of his summer job in the Investment
Analysis Division of Ford Motor
Company. He is pictured at his desk
in that office. "The opportunity was
excellent for me. I thought I had some
conception of business before, but
until I was actually involved I had
no idea of the actual volume of it."
In his department, investment analysts
wrote projects detailing expenses
and giving estimates of long term
return on, for example, proposals to
increase capacity at various plants.
Then each project would be routed
through the hierarchy for approval. At
first Gary's job was to keep track of
the projects as they wended their
way through the various offices; later
he worked as an analyst writing
capital budgeting projects for the
Automotive Assembly Division. He
now has a part time job with a small
company which markets NOIR
sunglasses for cataract and other low
vision patients. When he graduates,
Gary wants to go into the area of
finance, and eventually plans to get
his MBA.

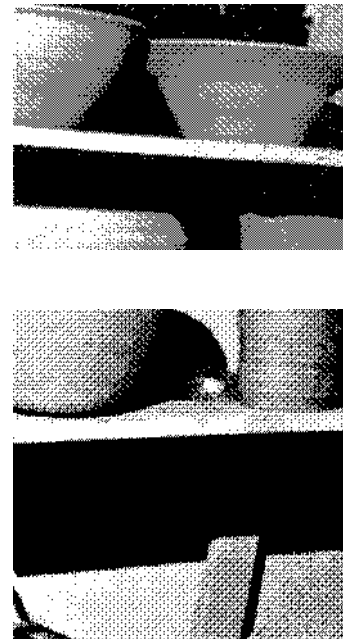
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6i In this school you have to learn how to study with other people and how to ask for help," says Sunella Jones. "LS & A doesn't put a big emphasis on people studying together," she explains, "whereas here some classes *require* you to work in a group. You need to overcome shyness and to get over the idea that people who ask for help must not be doing well academically. Here people who ask for help have excellent grade averages. The professors here want you to go very much in depth, and so you really need to work with other people in order to cover the ground. And, of course, if you can't work well with people you aren't going to

make it in business." Sunella knew she wanted to go to business school when she entered the U-M after graduating from Cass Tech High School in 1975. Her major interest is accounting, and she worked one summer in the accounting department at Chevrolet, where she got a view of corporate accounting. Last summer she was a summer intern at Plante & Moran CPA firm, where she was able to participate in two audits, doing basically the same type of work as a first year accountant. After graduation, she plans to work for a public accounting firm, and to take the CPA exam.





'For what I want out of life a business background is essential," says Mike Wisby, left, who eventually would like to produce films or have his own ceramics gallery. "If you are into film production, you need to know finance, marketing, and general business practice, and the same goes if you have your own gallery," he explains. Mike went west after graduation from high school in Birmingham, Mich., and was selling real estate in Phoenix, Arizona when the prime rate went to 12 percent, at which point, he says, "nobody bought and nobody sold." He then tried selling commercial silk screening for a small firm, but they folded because of the money crunch, so he returned to Michigan, only to find that he needed a college degree to get any kind of job. Since he was having little luck with the job hunt, he started working at pottery in his spare time (his mother is a professional potter) and found that he liked it very much, and was good at it besides. He now sells his work to galleries in Rochester, Mich, and Long Boat Key, Florida, as well as at the Ann Arbor Art Fair. At the Business School, marketing and computers are his major interests, and he would like to work for an advertising agency when he graduates because it would combine marketing with creative work.

hen Paul Straka was in the third grade and lived in Czechoslovakia, he and his parents went on vacation one summer to Yugoslavia. One day, he was told they were going on a hike. The family put their possessions in back packs, and walked across the border to Austria. "Obviously," says Paul, my parents couldn't tell me what was really going on. I was too young, and could conceivably tell the wrong people of the impending plans to emigrate illegally," After one year in Vienna, the family came to the U.S., and eventually settled in Florida, where Paul finished high school and went to the University of Florida for two years. By this time, he had decided that he wanted to go into business. "America to me is still the land of opportunity," he says, "and it is unfortunate that moderately adverse economic conditions make so few people believe this today. The important reason for the opportunities that exist here, I think, is the nature of the American market system, and so I decided the most useful thing I could do was to get a business background." After receiving his BBA, Paul plans to go to law school and eventually to specialize in tax law. "I think that part of the law is very complex and would be challenging," he says, "and the demand for specialized lawyers makes me feel secure for the future."

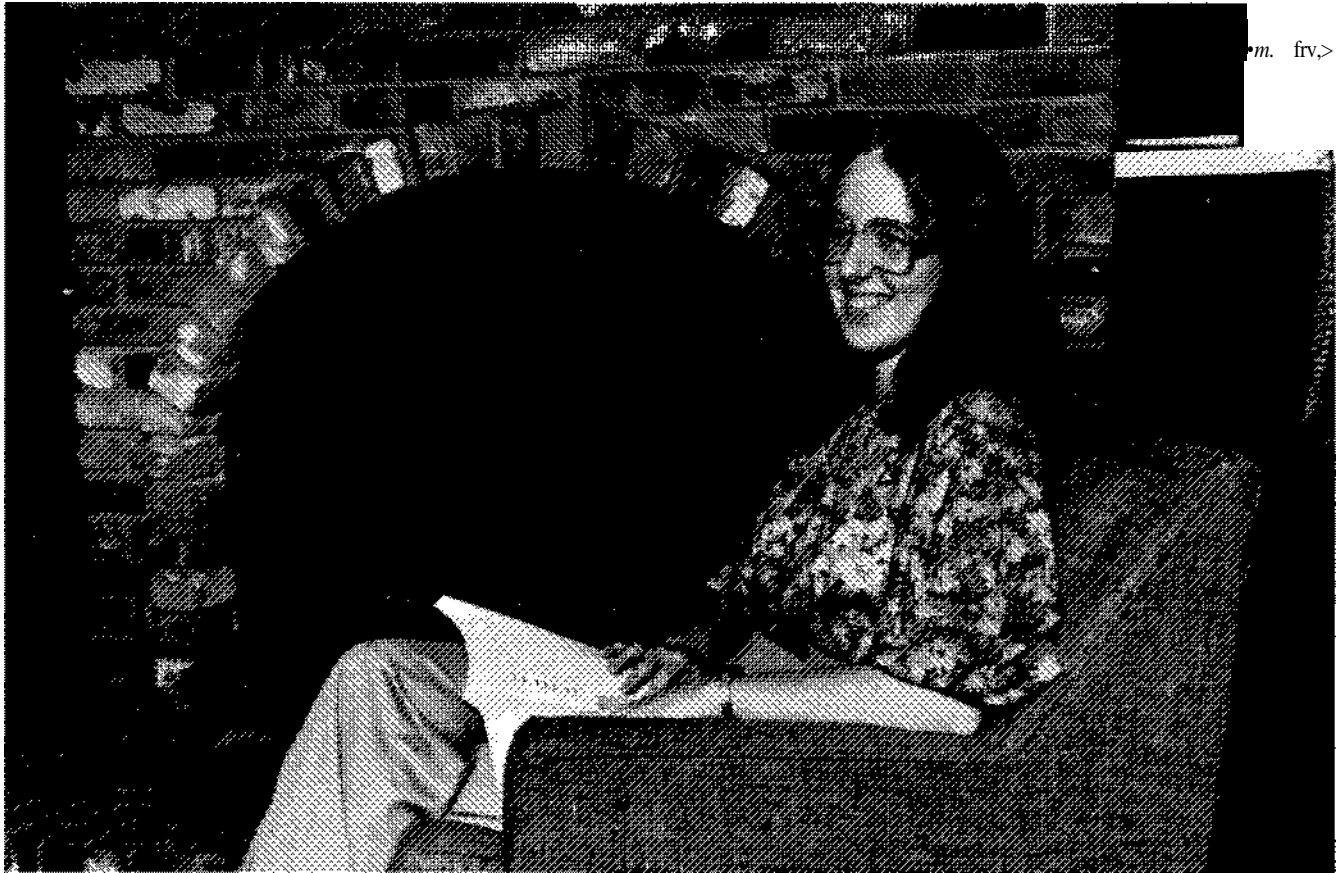


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athleen Null, right, worked full time and went to school full time at Macomb County Community College before coming to the Business School. She had a job as a clerk typist for the U.S. Army Tank-Automotive Materiel Readiness Command in Warren, Mich. The office was on a flex-time system, which meant you could work any eight hours between 6 a.m. and 6 p.m., and could even shift schedules from day to day. This meant Kathleen could go to work at 7 and leave in time for a 4 p.m. class, or take an 8 a.m. class and go to work after it. Because of the flexible scheduling, she was able to take from 12 to 16 credit hours a semester, going mostly at night. On lunch hours she did her homework, and Saturday was totally devoted to studying. When she came to the Business School, she found the level of work was harder and the amount of work was much more. "I expected an adjustment," she says, "but not as much as I got." Kathleen plans to take the CPA exam and to work for a public accounting firm.

Deborah Anne Siegle, pictured during a lunch hour at Renaissance Center, worked during the summer with the sales and marketing office of the Ford Glass Division in Renaissance Center. Her major project was revising the policy and procedures manual that is used to train sales people and other personnel. Deborah came to the U-M on a ROTC scholarship, and during freshman and sophomore years was on the ROTC rifle team. She is interested in music, and played clarinet with the varsity band. A major interest is politics, and she has worked at the local level in various campaigns, particularly for mayor and city councilman of her hometown, Dearborn Heights. When she graduates, she plans to work in the marketing field, and will make a decision after that about whether to continue on for the MBA.



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eilen Leister wanted a career in mathematics, so alter graduation from high school, he went to the California Institute of Technology. ilowexcr, he began to wonder what he would do when he graduated, and when lie realized he wasn't ali that keen on teaching, began to look around for other amplications of mathematics. It was then that he got interested in actuarial science and began writing to the dozen or so schools in the counti\ thai oiler an actual ial program. Michigan appealed to him the most, and he iransfeired here al'tei freshman \car at {ial leeh with a \iew to entering Business School, lie lias spent the last three summeis working in the actuarial departments oi insurance firms, jobs he lauded either b\ "writing c\ery insurance tompan\ in Philadelphia" (where he wanted to work) or b\ interviewing through our placement office. For relaxation, he likes to read, play chess. and work out at the gvni. He e\entu;ll\ wants to go into actuarial consulliii" work.



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"There are two tragedies in life. One is not to get your heart's

ADULTHOOD, MANHOOD AND

The fundamental message of Daniel Levinson's seminal study, *The Seasons of a Man's Life*, is that being "adult" often involves something different (sometimes radically different) than what most of us expect. The image of settling comfortably into a life structure somewhere in your twenties and then living happily ever after is a mythical view of adulthood. As long as a man* lives, it turns out, he is going to have growing pains.

For example, to follow up on George Bernard Shaw's striking paradox, it seems that a more or less predictable mid-life transition occurs around age 40 in which several forces come together to produce a crisis. The term crisis here does not necessarily denote a traumatic situation; it simply means "choice point" or "turning point" in Levinson's scheme. Men at this stage often feel they are reaching the culmination of their youthful strivings, particularly with respect to their occupational dream, and that the final verdict is about to come in on their prior efforts. If they fail to reach their original

* Levinson's study did not include women. Although he thinks women go through the same developmental periods as men, he believes they do it differently enough (because of biology and social circumstances) to make it necessary for them to be a major focus of analysis. This would have broadened the scope of his study considerably. (He is now beginning to study women.) He says he decided to study men initially "because I wanted so deeply to understand my own adult development."

aspirations, there is often the feeling that time and opportunities are running out, and failure in a profound sense is sometimes experienced at this stage. The developmental task here involves coming to terms with disappointment, and using it as a stimulus for re-definition of self and renewed effort in a way that makes sense given the man's inner resources and realistic external opportunities.

On the other hand, persons who "succeed" by mid life in realizing their original vision, are often launched into a strange new world which is not at all what they anticipated.

Some men reach corporate vice presidencies only to find themselves embroiled in vexing political struggles. Their family demands are growing at precisely the time their job demands increase significantly, causing a collision among the components of their life structures. Or they find that in spite of their position, they still do not have significant power as anticipated, and must defer to a wide variety of checks on their autonomy. These and other forces create a period of intense questioning about the value of achievements to date for both "successes" and "failures" and trigger a process of turning inward to reassess the meanings of life.

Up to the time of the midlife transition, says Levinson, most men are dominated by "The Dream." They are full of intense desires "to win, to be right, to achieve the noble

Dream, to be highly regarded by those who matter (or perhaps, without admitting it, by everyone)."

All of this has the effect of involving them so heavily in the pursuit of external achievement that little time is left to listen to inner questions about whether they are enjoying life in the here and now, and what's more, whether their achievements, monumental or modest, still hold any significant meaning to them in some ultimate sense.

"During the Mid-life transition, a man needs to reduce his heavy involvement in the external world. . . . He has to discover what his turmoil is about and where he hurts. He wants to find and lick his wounds. . . . He needs to separate himself from the striving ego and the external pressures, so that he can better hear the voices from within." (p. 241)

To gather the material for this insightful study, Levinson and his team of researchers at Yale's Department of Psychology conducted intensive case histories on the lives of forty men. These case histories often

About the author: Professor Hill's major research interests are in investigating personality data as related to both occupational choice and group effectiveness. His most recent research was an analysis of job change decisions by mid-career managers.

desire. The other is to get it."

George Bernard Shaw
—*Man and Superman*, Act IV

GROWING PAINS

A review of *The Seasons of a Man's Life*,
By Daniel J. Levinson, published
by Alfred A. Knopf, Inc. 1978

By Raymond E. Hill *Associate Professor of Industrial Relations*

amounted to three hundred or so pages of manuscript for each subject, and spanned the person's entire life up to that point. Ten men in the four occupations of manager, blue collar worker, biologist and novelist were selected for inclusion, each between the ages of 35 and 45.

The foundation of Levinson's theory is that men are periodically faced with new, but *predictable* developmental tasks over their entire life course, and that working through these new challenges is the essence of adulthood. In that sense, life is viewed as a process of continually becoming. The adult life course, according to Levinson, is characterized by a continual series of structure-building periods followed by structure-changing periods in which attempts are made to work some of the "flaws" out of the prior stable phase. Below are listed the basic developmental periods as Levinson conceives them, along with the tasks associated with each one. This description does not do justice to the complexity or richness of Levinson's discoveries, but does serve to highlight the major issues. The age categories are approximate and not rigid.

Early Adult Transitional Period (Age 18-22)

Leaving the family of origin is the major task of this period. The young man feels half in and half out of the family, and expends much energy

to reduce dependence on familial support and authority. Peer support becomes critical to this task, but parental control is often replaced by peer control. Marriage, college, or the military all function as major transitional mechanisms here, and symbolize a bold step into the adult world.

Getting into the Adult World (Age 22-28)

Getting into the adult world on a more secure basis is the prime task here. This is usually a period of exploration and provisional commitments to adult roles, responsibilities and relationships. The person's energy primarily goes to forming an initial occupational structure as well as more mature friendships and sexual relationships. Mentors are often critical in helping the young man learn the proper emotional tone of adult life as well as providing insights into more technical issues. The culmination of this period usually produces an initial life structure involving marriage and occupation. Equally important is the formation and clearer recognition of one's "Dream" which serves as a guiding force and provides images of the man's future life structure.

Transitional Period (Age 28-32)

In the late twenties and early thirties, one often begins to experience some "flaws" in the initial life

structure and begins a transformation process aimed at re-working the initial structure to make up for "what's missing." Marriage and career shifts are common. While this is a period of internal instability, the occupational and personal attachments formed during the twenties may be questioned, examined, and then essentially reconfirmed with no apparent external changes. A common pattern is for the young man to *qualitatively* shift the type of work he does even though remaining in the same occupation, and this often involves the use of prior repressed abilities. He often seems to be "someone else" after the age thirty transition in certain respects, or more accurately, "someone more."

The prior version of his "Dream" often comes to haunt him if he feels it has been compromised or betrayed in some sense, and thus the period is tumultuous for many men. Mentors may serve as transitional agents during this period, but sometimes they must be given up in order to make changes.

Settling Down (Age 33-40)

With a re-worked version of his initial life structure, the man is now ready to seek order, stability, security and control. He wants to make deeper commitments, and invest more of his self into work, family and other valued activities. There is an inclination to "sink roots" and strive

for upward achievement; making "The Dream" a reality begins to be an urgent and earnest matter.

This settling down period often starts with a variety of illusions, the biggest of which may be that realization of "The Dream" will result in unmitigated happiness.

Thus toward the end of settling down, a sub-period emerges which represents a time of peaking, and is referred to as Becoming One's Own Man (BOOM). The usual feeling here is that regardless of what one has accomplished to date, he is not sufficiently his own man. "The Dream" is rarely fully realized since it represented an idealized view supported by a variety of illusions about one's own capacities and the degree to which others will support "The Dream." Thus, there is a feeling that one must be free of the constraints imposed by those in authority, along with a heightened sensitivity to dependency relations. There is often a key promotion or other recognition which one feels will serve as the final liberating symbol, and which represents the ultimate affirmation by society. The period around forty becomes one of "suspended animation," waiting for the events to unfold (it often takes several years) which will reveal societies' view of the man's strivings to date.

Transitional Period (Age 38-42)

This is a major structure-changing period and represents the turning point between young and middle adulthood. The transition occurs whether one "succeeds" or "fails" in the search for affirmation by society. It is only the shape of this transition that varies. The disparity between "The Dream" and reality usually triggers considerable soul searching at this time, since "The Dream" has been a guiding force since the twenties. In addition, even considerable success to date may seem hollow or bittersweet. There is an increase in one's awareness of his own mortality, and a sense of aging. A major developmental task at mid-life is the changing relationship to the self. Self acceptance, regardless of one's plight, becomes crucial to a fulfilling life in middle and late adulthood. The tyranny of "The Dream" is

"It is a curious phenomenon to Levinson that American men do not seem to develop many high quality friendships (with either men or women). They have acquaintances and colleagues, but they do not speak of them with the same specialness that is often reflected in their boyhood friendships."⁹⁹

usually given up to a significant degree. Often the man becomes more existential in a sense and is more concerned with happiness in the "here and now." The imagery of "the ladder," which symbolizes achievement and advancement fades in importance.

Beginning of Middle Adulthood (Mid 40s)

The result of the turning point described in the previous stage is often a man who is now ready to make considerable contribution to the development of others through leadership and mentoring roles. He becomes more compassionate, and achieves a new integration of the masculine and feminine polarities within himself. He is more expressive and sensitive to others' feelings and less dominated by that need to win, to be right, to achieve by external criteria. Middle adulthood is often a mellow season which represents a truly procreative time in which the man brings his accumulated wisdom and compassion to bear on complex human problems and exerts his most creative leadership. The key to this turning point lies in accepting one's self, in giving up the tyranny of external evaluations, in seeing reality clearly while being guided more by one's own internal lights.

Levinson did not study people beyond the age of 45 (beginning of middle adulthood) and thus does not have sound evidence for describing development on into late adulthood; however, he is quite certain developmental opportunities continue throughout the entire life course.

Besides the sequence of periods, a fundamental aspect of Levinson's

theory is that development is a matter of achieving greater states of internal integration, and of overcoming four basic internal polarities. Masculine/Feminine, Creation/Destruction, Attachment/Separateness and Young/Old. They are pairs of states or tendencies which are usually experienced as polar opposites, as if a person must be one or the other, but not both. As a man develops, however, he must integrate these polarities and partially overcome his internal divisions, even though the integration will never be complete.

With regard to the Masculine/Feminine polarity, it is a curious phenomenon to Levinson that American men do not seem to develop many high-quality friendships (with either men or women). They have acquaintances and colleagues, but they do not speak of them with the same specialness that is often reflected in their boyhood friendships. His suspicion is that work has become excessively masculinized and competitive. In the essentially intellectual, information-processing occupations (which are the predominant work mode in today's world) this masculinization is symbolized by taking on great quantities of work, and expending long arduous hours in the pursuit of accomplishments. Thus, even intellectual work retains its physical endurance dimension. He is not sure what price organizations and society pay for this state of affairs. Yet there is increasing evidence that the ability to form significant friendships is correlated with integrating the feminine aspects of the man's personality.

The Creation/Destruction polarity

is often experienced acutely during the mid-life transition when a man becomes more aware of his own mortality (destruction). Ironically, this awareness unleashes in the following period a need to make a lasting contribution to the well-being of the next generation and the human race generally (creation). He knows, however, in reflecting on his life, that destructive outcomes have resulted from his past creative efforts, and vice-versa. "In middle adulthood, a man can come to know, more than ever before, that powerful forces of destructiveness and of creativity, coexist in the human soul—in my soul!—and can integrate them in new ways."

As a man develops, he also becomes simultaneously more capable of being separate from other people, and yet attached to them. As he forms a more mature identity, he is more comfortable with himself in solitude, and yet more fully connected to others in relationships. Separateness and attachment increase together. Similarly, as a man ages, he must continue to overcome the Young/Old polarity which exists in himself and society. This is not easy in a youth-oriented society which tends to segregate the elderly in retirement villages. Being young is symbolized by a sense of adventure, newness, openness to possibility, and an interest in the future. Being old is symbolized by a constriction of interest and investment in the world, by absorption in the self only, and by a preoccupation with the past. At each developmental period in a man's life, he is faced with defining new ways of investing himself in the world, of finding out what is now uniquely possible for him, and also what he must give up—how to be Young/Old. Age becomes very much a state of mind, and a relationship with the world about him.

What are the practical implications of Levinson's research for organizations and society? He does not yet know, but makes some suggestive comments in his conclusions which, in my opinion, merit a long quote:

"Starting a family and embarking upon an occupational career, when one's income is at its lowest point

and one's adult status is still marginal, imposes terrible burdens on both husband and wife. If the extent and consequences of this problem were taken more seriously, much could be done to alleviate the stress.

"For large numbers of men, the conditions of work in early adulthood are oppressive, alienating and inimical to development. Most people work in corporations, small companies, local or federal government agencies, schools, churches, hospitals—institutional structures of all kinds. This is a recent historical development. We are still learning how to create organizations that work productively, humanely and in ways that support the adult development of their employees and clients. The aims of productivity and profit making have had top priority in the industrial age that is now passing. As we move into an age in which production and power

adequate mentoring a young man's entry into the adult world is greatly hampered. Some degree of emotional support, guidance and sponsorship is needed to smooth the way and make the journey worthwhile.

"Similarly, most occupations are defined and understood from the perspective of early adulthood. When we discuss or study an occupation, we usually focus on the process of entry and the kinds of work it requires during the initial five or ten or twenty years. But the nature of a man's work changes appreciably in middle adulthood. Much less thought, and certainly much less public discussion have been given to the meaning of work in these years. How should jobs and careers evolve during middle adulthood? What new kinds of work are desirable from the viewpoint of the individual and of society? What can be done to

"Most young men receive little mentoring^ and good mentor relationships are rare indeed. Poor mentoring in early adulthood is the equivalent of poor parenting in childhoods without adequate mentoring a young man's entry into the adult world is greatly hampered"

might be less overriding concerns, we have a chance to reorder our priorities. It remains to be seen whether we shall give higher priority to enhancing the meaning of work and to creating work organizations that foster development as well as productive efficiency.

"At a more specific, personal level, we can try to improve the quantity and quality of mentoring in the work world. Most young men receive little mentoring, and good mentor relationships are rare indeed. Poor mentoring in early adulthood is the equivalent of poor parenting in childhood: without

provide for greater learning and rejuvenation within the same occupation, for shifting to a "second career," or for early retirement and change to new forms of work in middle adulthood?"

Levinson and his colleagues have made a substantial contribution to the study of adult male development, and have, I think, revolutionized the concept of age as it is thought about in the social and economic sciences. In addition, they speak compassionately and eloquently to all people, male or female, about the mysterious enterprise of life. This book is highly recommended by this reviewer as worthy of reflective reading, perhaps more than once.

A y \ I I IKJI 1g Ourselive

An informal collection of items? including news of the faculty? of alumni? and of the school? and assorted other information? opinion or comment that we think will interest you.

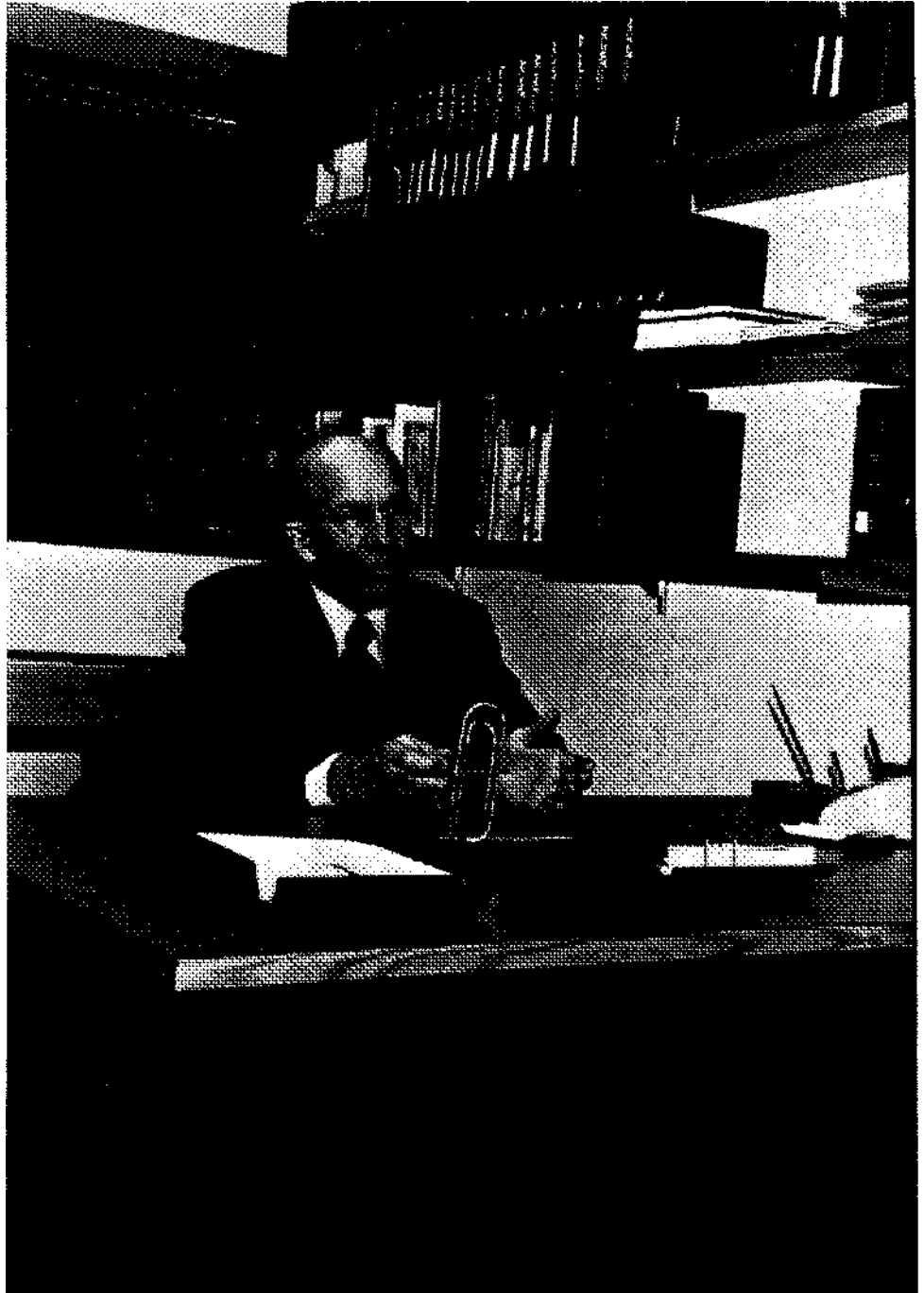
Dr. Robert Mautz Appointed New Director of Paton Center

Dr. Robert K. Mautz is the new director of the Paton Accounting Center. He took office January 1, 1979.

Dr. Mautz received his Ph.D. in accounting from the University of Illinois, and served on the faculty there for 24 years. While there, he was honored by being named Weldon Powell Distinguished Professor. He is a past president of the American Accounting Association and past editor of *The Accounting Review*.

The author of eleven books on auditing and accounting, Mautz has also written chapters in 12 other books, and more than 60 articles for various professional journals. He has served on the board of directors of the American Institute of Certified Public Accountants as well as on the Advisory Council of the Financial Accounting Standards Board, and in 1978 was inducted into the National Hall of Fame in Accounting. In 1972, he was appointed as one of the original members of the Cost Accounting Standards Board, and served on this board until 1977. Also in 1972 he resigned from the Illinois faculty to become a partner in Ernst & Ernst's national office in Cleveland.

Mautz has conducted three research studies for the Financial Executives Institute, all of which resulted in major publications. The first one, "Financial Reporting by Diversified Companies," was completed in 1968; the second, "Effect of Circumstances on the Application of Accounting Principles," was completed in 1972 and the third, "Financial Disclosure in a Competitive Economy" (with W. G. May) was finished in 1978 and has just been published.



Dr. Robert Mautz, new director of the Paton Accounting Center.

Floyd A. Bond Named to Donald C. Cook Endowed Professorship

By formal action of the U-M Regents, Dr. Floyd A. Bond has been named Dean Emeritus of the Graduate School of Business Administration and Donald C. Cook Distinguished Professor of Business Economics.

"No Dean has ever worked harder or been more devoted to his School than Floyd Bond," said U-M President Robben Fleming when the appointment was made. "He has been dedicated to high quality in students, faculty and programs. He has established an honored role in the local, state, and national business communities."

"It is a tribute to Dean Bond that U-M business degree programs are among the best in the nation," said Harold T. Shapiro, U-M vice-president for academic affairs. "Also during his years of service, faculty and student enrollment have doubled."

Fleming said Dean Bond initiated a number of noteworthy innovations: a 15-member Visiting Committee of top executives; a Dean's Associates Program with \$5,000 annual corporation memberships; the private funding of three new Business Administration buildings—the Assembly Hall, the William A. Paton Center for Accounting Education and Research, and the Kalmbach Management Center with its fully integrated management education facilities; the Dean's Committee on Excellence; five endowed professorships; and two endowed lecture series.

In addition, a high quality and very popular MBA Evening Program has been developed, a well-equipped computing center installed, and the Business Administration Library considerably strengthened. Dean Bond was also instrumental in bringing about the development of a professional staff to: handle admissions, student services, and placement; facilitate and promote faculty research; prepare several manuscripts for publication each year; edit and publish four periodicals; organize and

implement 250 postgraduate management education programs and seminars annually; and to provide expert library services in management for faculty, students, and alumni of the School. Most important of all, the School has survived many years of student unrest and budget cuts, and has emerged free of debt and in excellent financial condition, with the largest and best faculty and student body in its history. Surveys have consistently identified the School as one of the leading schools in the nation.

Bond's life-long interest in economics and economic education, along with his achievements as Dean, made him the ideal choice as the first occupant of the Cook Chair. Between the time he left his position on the faculty of the U-M Department of Economics (and Rackham School of Graduate Studies) in 1946 and the time he returned as Dean of the Graduate School of Business Administration in 1960, Dr. Bond received special recognition for his teaching and research on a number of occasions. He became Professor of Economics on the Stedman-Sumner Foundation at Pomona College in Claremont, California in 1948, won two faculty fellowships in the early fifties, and received the coveted Distinguished Professor Awards each year from 1955 to 1960.

In 1968, Dean Bond was elected president of the American Association of Collegiate Schools of Business, the official accrediting organization for all professional collegiate programs in business administration. He has participated in the establishment of Graduate Schools of Business Administration in Taiwan, the Netherlands, and Saudi Arabia. During the last 10 years, he has served as a consultant to the General Accounting Office and as chairman of the program committee of the Economic Club of Detroit. He is presently a trustee of MassMutual Mortgage and Realty Investors and a member of the board of directors of Massachusetts Mutual Life Insurance Company, Clark Equipment Company, Associates Corporation of North America, Hayes-Albion Corporation, and the National Bank of Jackson (Michigan).



Donald C. Cook, pictured above, established the Donald C. Cook endowed professorship to emphasize and perpetuate, in both the written and oral word, basic instruction in the most fundamental principles of economic analysis. Cook achieved an outstanding reputation for business leadership as chairman and chief executive officer of both American Electric Power Company and American Electric Power Service Corporation, and president and chief executive officer of all AEP System operating companies and other subsidiaries. After more than 14 years as head of the nation's largest investor-owned producer of electric energy, he relinquished his executive responsibilities to W. S. White, Jr., while remaining as director and consultant to AEP. Cook is now an active partner in the investment banking firm of hazard Freres & Co.

Cook joined AEP in 1953 as a vice-president and assistant to the president, following a distinguished career of 16 years in U.S. government service, culminating in the chairmanship of the Securities and Exchange Commission in 1952-1953. He was elected a director of AEP in 1960 and president in 1961.

He was born in Escanaba, Michigan. He received two degrees from The University of Michigan (A.B. and M.B.A.) and two from George Washington University (J.D. and LL.M.)

Faculty News

Patricia Shontz Longe, professor of business administration and director of publications, has been elected to the Board of Directors of American Motors Corporation. She also serves on the boards of several other major corporations, including The Kroger Co.; Warner Lambert Co.; and the Detroit Edison Company.

Thomas C. Kinnear, associate professor of marketing, has written a book entitled *Promotional Strategy* with James F. Engel. The fourth edition of the book was published in January by Richard D. Irwin.

Michael W. Maker, assistant professor of accounting, has written an article entitled "Preference Congruence, Information Accuracy and Employee Performance: A Field Study," which will be published in the Autumn, 1979 issue of the *Journal of Accounting Research*. He has also contributed a chapter to the *Cost Accountants Handbook* entitled "Flexible Budgeting." The handbook is edited by Edwards and Black and will be published by Irwin this year. He has also written a "Study Guide for Managerial Accounting" which was published by Dryden Press. At the American Accounting Association meetings in Denver, Colo., he presented a paper with Earl Keller, associate professor of accounting, entitled "Analysis of Reporting Practices in American Cities." This paper was published in the proceedings of the conference.

Eugene Imhoff, associate professor of accounting, published two articles in one issue of *The Accounting Review*, the quarterly journal of the American Accounting Association. They were entitled: "The Representativeness of Management Earnings Forecasts," and "Employment Effects on Auditor Independence," both published in the October issue.

Robert Haessler, associate professor of policy and control, presented a talk at the spring ORSA/TIMS meeting in New York city entitled "A Procedure for Solving the Master Slab Cutting Stock Problem in the Steel Industry." The presentation

described a computer system developed by Professor Haessler to aid National Steel in scheduling the new side slab continuous caster in its Great Lakes Steel Division in Detroit.

George D. Cameron, III, professor of business law, has written a book entitled "The Soviet Lawyer and His System," which was published by the Division of Research of the Business School as Michigan International Business Studies, number 14.

Earl Keller, associate professor of accounting, has been appointed to the American Institute of CPA's State and Local Government Accounting Committee. The committee is an arm of the Institute's Accounting Standards Division which is the senior technical body of the Institute, authorized to speak for the Institute in the areas of financial accounting and reporting. Dr. Keller has also been appointed to the Michigan Committee on Governmental Accounting and Auditing. The Committee serves as an advisor to the State Treasurer in his capacity to establish accounting and auditing standards for local units of governments in the state of Michigan.

Claude Martin, professor of marketing, is serving as project director for a study being done by the Division of Research to investigate consumer and retailer demand for the new \$1 coin and \$2 bill. The work is being done under a grant from the Federal Reserve Bank of Chicago, which was also the cooperating sponsor for the Creative Marketing Seminar taught by Professor Martin in winter term, 1979.

Herbert W. Hildebrandt, professor of business administration, has been elected to the board of directors of the American Business Community Association. In that capacity he represented the association as a program speaker at the Institute of Foreign Trade in Warsaw, Poland, and at the 7th International Congress on Communication in Vienna.

Karl Pearson, professor of business administration and director of real estate education, made a speech on "Estate Planning" to the Alabama Association of Realtors and a talk

entitled "Forecast on Real Estate for 1979" at the Illinois Association of Realtors.

Douglas M. Patterson, assistant professor of finance, has been awarded a faculty research fellowship and research grant from Rackham. He will use the awards to conduct empirical research in options pricing.

William K. Hall, professor of policy and control, has been selected a National Fellow of the Planning Executives Institute, an international professional association which selects three Fellows annually.

Vern Terpstra, professor of international business, was a visiting professor of international business at Cranfield School of Management in England last summer.

Bernard J. White, associate professor of industrial relations, was co-recipient with Stephen Strasser of the School of Public Health, of a \$1,000 award from the Institute for Administrative Research. The award was granted under the Institute's Administrative Research in Health Care Award Competition. The title of their winning proposal was "Assessing Organizational Effectiveness: A Comparative Analysis of Two Evaluation Models." Funds from the award are being used to support the research project.

Dallas Jones, professor of industrial relations, has been elected to the board of governors of the National Academy of Arbitrators.

Alan Merten, associate professor of management science, presented an invited paper at the Conference of the European Cooperation in Informatics held in Venice, Italy, under the sponsorship of major European computing societies and the European Economic Community. The paper was on the evolution of management information systems in organizations.

David L. Lewis, professor of business history, has been appointed to a three year term on the executive committee of the University of Michigan Press.

Gunter Dufey, professor of international business, is co-author of four articles on international finance,

Marketing Professor
Stewart H. Rewoldt Dies

By Martin R. Warshaw, *Professor of Marketing and Chairman of the Marketing Faculty* and
D. Maynard Phelps, *Professor Emeritus of Marketing*

Stewart H. Rewoldt, professor of marketing, died at St. Joseph Mercy Hospital in Ann Arbor on January 10 after a brief illness. Surviving are his widow, Allison Hilliard Rewoldt, and three sons, Gregory, Jeffrey and Thomas.

Professor Rewoldt was one of an exceptionally able group of students in the School in the period immediately following the end of World War II. Many had been officers in the armed forces and were eager to complete their educations as quickly as possible. Among Professor Rewoldt's friends and classmates during the mid-1940's were Frederick Howarth, John Leidy, Paul Sampson and Dave Strack of the class of 1946, and Roger Yepson, Dan Shaw, Bob Schwyn, Will Scott, Gordon McKenzie, and Walt Kell of the class of 1947. Many of these people and others from these classes have had distinguished careers.

Entering the University in 1940, Rewoldt spent three years in the U.S. Army before receiving his BBA in 1946. He earned an MBA with distinction in 1947 and his Ph.D. in 1952. He then joined the Michigan

developed as part of an ongoing research project in international finance. Co-author is I. H. Giddy of Columbia university, currently on leave of absence from the office of the Controller of the Currency in Washington, D.C. Dr. Giddy received his Ph.D. from The University of Michigan in 1974 and was on the faculty of the Business School in 1975. The four articles are: "The Unique Risks of Eurodollars," published in the *Journal of Commercial Bank Lending* in June, 1978; "Measuring the Eurocurrency Market," published in the *Journal of Bank Research* in autumn, 1978; "International Financial Planning," published in *California Management Review* in



Professor Rewoldt

faculty as an instructor in marketing. From 1953 to 1956 he was a faculty member of the business school at Indiana University. He returned to Michigan as an associate professor in 1956 and was promoted to full professor in 1960. In 1959-60 he taught at Waseda University in Japan, and in 1971 at the Stichting Bedrijfskunde, an affiliate of the Netherlands School of Economics, in Rotterdam.

Stewart Rewoldt served his School well for over two decades. In 1967 he chaired the committee which studied ways of revising the MBA curriculum. He also served on the School's Executive Committee, Curriculum, Scholarship and Teach-

ing Committees. He was a dedicated teacher who had a profound effect on graduate students who were beginning their teaching careers under his supervision.

fall, 1978; and "The Linkages that Tie Together International Interest Rates," published in *Euromoney* in November, 1978.

Mary C. Bromage, professor emerita of written communication, has been on the road, teaching seminars for industrial and governmental personnel here and abroad. She has been giving seminars all over the U.S., as well as in Nairobi, Africa; Heidelberg, Germany; Karachi, Pakistan; and Manila, the Philippines. The overseas assignments were arranged by the U.S. Army and by the State Department.

Edwin L. Miller, professor of industrial relations, is currently

ing Committees. He was a dedicated teacher who had a profound effect on graduate students who were beginning their teaching careers under his supervision.

Professor Rewoldt's research activities resulted in such publications as *The Economic Effects of Marketing Research*. In addition, he made a substantial contribution to *The Marketing of Automotive Parts* by Professor Charles *N. Davisson.

With colleagues James D. Scott and Martin R. Warshaw he wrote the textbook *Introduction to Marketing Management* now in its third edition and widely used throughout the country. Most of Professor Rewoldt's efforts in recent years were involved with the collection of new case materials for use in the core marketing courses and subsequently in the text.

"Stu" as he was affectionately called by his friends was an effective teacher and an excellent administrator. Above all he was a warm, kindly and courteous human being who was a wonderful friend and professional colleague. As his illness progressed and he knew that his chances for recovery were slight he made a request that in the event of his death memorial contributions be sent to the Phelps Fund for Doctoral Fellowships in Marketing in care of the Dean's Office, U-M Graduate School of Business Administration.

vice-president and program chairman for the Midwest Division of the Academy of Management. He has also recently published three papers: "A Closer Look at the Decision to Accept an Overseas Assignment," in the *Management International Review*; "Human Resource Management: A Model for Personnel Practices and People," in *The Personnel Administrator*; and "A Comparative Study of the Job Change Decision for Managers Selecting Domestic and Overseas Assignments," in the *Proceedings of the Academy of Management*.

Raymond E. Hill, associate professor of industrial relations, and Professor Edwin Miller recently presented two research papers at the

National Academy of Management meetings in San Francisco. One was an analysis of job change decisions for Americans taking overseas positions in multinational firms and the other was an analysis of job change decisions for mid-career managers.

John A. Fossum, associate professor of industrial relations, delivered a paper at the annual Academy of Management meeting on factors predicting a willingness to change jobs. In December his book, *Labor Relations: Development, Structure, Process*, was published by Business Publications.

Three articles in the area of managerial accounting by three accounting faculty members have been selected for special recognition by the National Association of Accountants. All the articles are being published in *Management Accounting*, the official publication of the National Association of Accountants. It has a circulation of approximately 76,000. The authors, who were honored at the annual meeting of the NAA are: *Harold Arnett*, professor of accounting, whose article, "Accounting for Non-Monetary Transactions—Some New Perspectives," was published in October; *Gordon Duke*, lecturer in accounting, co-author with Roger A. Roemmich and William A. Gates of "Maximizing the Present Value of Tax Savings from Depreciation" which appeared in the September issue; *Eugene Imhoff*, associate professor of accounting, whose article "Selected Managerial Accounting Techniques: Some Evidence Concerning Their Practical Application," appeared in the November issue.

Herbert F. Taggart, professor emeritus of accounting, has written a chapter entitled "The Role of Costs in Public Regulation of Business" published in *Eric Louis Kohler—Accounting's Man of Principles* edited by William Cooper and Yuji Ijiri and published by Reston Publishing Company. He has also written a chapter entitled "Distribution Costs" for the *Handbook of Cost Accounting* edited by Sidney Davidson and Roman L. Neil and published by McGraw-Hill.

Delia L. Egly, School's First Librarian, Dies

Delia L. Egly, who began her service to the University of Michigan in 1919 as a member of the staff of the General Library, died in June in Ann Arbor. She was the first librarian of the School of Business Administration and continued here as librarian until she retired in 1960.

Mrs. Egly was a graduate of Bluffton College, Bluffton, Ohio, and had been a teacher at Bluffton High School before going into library work. In 1919, she married William Egly, who was a member of the teaching faculty of the university. He retired in 1960 from his position as associate professor of English in the College of Engineering.

From 1940 until the death of Professor Egly in 1974, the Eglies lived on a farm where Professor Egly maintained an interest in show horses. Shortly after the death of her husband, Mrs. Egly moved to John Knox Village, where she lived until her death. She was the last living member of a family that included ten children.

Two B School Students Receive Arthur H. Carter Scholarships

Two students at the Business School are among the 25 national recipients of Arthur H. Carter Scholarships from the American Accounting Association.

Selected are Patrick J. Wilkie, a second year student in the MBA program, and Susan Lynn Katz, a candidate for the BBA.

The two were among approximately 300 nominees from all over the country for the Carter Scholarships, which provide \$2,000 each.

Schools are asked to nominate no more than two candidates for the scholarships in one year. Both Business School nominees were selected this year, and in 1977 another Business School student, Karen Law, was chosen.

Arthur H. Carter was a partner in the certified public accounting firm of Deloitte Haskins & Sells.

Thomas William Leabo Fund Gives Awards to Six Ph.D. Students

Six \$100 awards have been made by the Thomas William Leabo Memorial fund to outstanding doctoral students. The Fund was established to give awards annually to dedicated scholars committed to the teaching profession who are preparing for a doctoral degree in business administration.

Those receiving the awards and their areas of specialization are: David Askin, finance; Thomas E. Buzas, marketing; John W. Eichenseher, accounting; Yoon-Dae Euh, international business; Joseph A. Machak, statistics and management science; and Denise Tanguay, organizational behavior-industrial relations.

The Fund was established in honor of Tom Leabo, son of Professor Dick A. and Artis Leabo, who died accidentally at the age of 20 years on March 18, 1977. He grew up in Ann Arbor, graduating with highest distinction in 1975 from Huron High School, where he was a disciplined and versatile athlete. In addition to membership on the golf, track and basketball teams at Huron High, he was interested in a variety of non-competitive recreational sports. It was while preparing to go cross-country skiing that Tom met his accidental death. At the time he was a sophomore at the University of Michigan, concentrating in the physical sciences and mathematics.

Many friends and relatives joined Tom's parents in perpetuating his memory by establishing the Fund. Those wishing to contribute should make checks payable to *The Thomas William Leabo Memorial Fund* and mail to the Dean, Graduate School of Business Administration, University of Michigan, Ann Arbor, Michigan 48109.

Major Research Study in Accounting to be Done at Paton Center

A major research study in accounting, entitled "A Survey of the State of the Art in Internal Controls" is being conducted by Robert K. Mautz, newly appointed director of the William A. Paton Center for Accounting Education and Research at the U-M Graduate School of Business Administration. The study is being funded by the Financial Executives Research Foundation.

The study will encompass a broad concept of internal controls, covering both internal accounting and administrative controls. Since management's responsibility for internal controls involves functional operating departments and other management activities as well as finance and accounting, the research will be interdisciplinary and draw upon specialists from such fields as marketing, industrial organization, and finance as well as accounting and auditing. Appropriate experts on the U-M faculty or at other universities or in professional firms or industry may be called upon as participating researchers.

Assisting the researchers in an advisory capacity will be a project steering committee including representatives from the Financial Executives Research Foundation board of trustees as well as other members of the Financial Executives Institute.

Recent developments in Congress, the Securities and Exchange Commission, and the accounting profession have highlighted management's responsibility for the adequacy of internal controls. The FERF sponsored survey of the "state of the art" represents the first of a proposed series of coordinated studies in the field.

This is the fourth major research study that has been undertaken by Dr. Mautz for the Financial Executives Institute. The other topics were: "Financial Reporting by Diversified Companies," "Effect of Circumstances on the Application of Accounting Principles," and "Financial Disclosure in a Competitive Economy." All of these resulted in major publications.

Dick A. Leabo Appointed to Fred M. Taylor Professorship

Dr. Dick A. Leabo, professor of statistics and director of the doctoral studies program at the Business School, has been appointed as the Fred M. Taylor Endowed Distinguished Professor at the School.

A member of the U-M faculty since 1957, Dr. Leabo is a graduate of the University of Iowa. He previously taught at his alma mater and at Michigan State University. He has served as exchange professor at the Rotterdam School of Economics (now Erasmus University) and as a consultant on collegiate education for business at the Aspen Institute for Humanistic Studies.

Dr. Leabo also has served as consultant to the Brookings Institution, the North Central Commission on Higher Education, the Ontario Council on Graduate Studies, Louisiana Board of Regents, the New York State Department of Education, the Commonwealth of Massachusetts, and to many industrial firms and governmental agencies. He is listed in Who's Who in America, Who's Who in Consulting, and many international biographies.

The U-M professor of statistics has served as director of the Business School's Doctoral Studies Program and as chairman of the student-faculty Committee on Doctoral Studies since 1965. His leadership in doctoral studies programs and relationships with students resulted in the students selecting him as the first Business School faculty member to receive the Ph.D. Forum's "Faculty Award."

He has served on the Council of the American Institute for Decision Sciences and as a U-M representative to the American Statistical Association. He is a member of the American Economics Association of Business Economists and the American Association of University Professors.

A national leader in Phi Beta Kappa and Phi Kappa Phi honor societies, Leabo is the author of nine books, including the fifth edition of

the much-used *Basic Statistics*, and numerous articles in professional journals.

Prof. Leabo has served the Business School in many other capacities: associate dean; memberships on the Executive Committee, Research Committee, Scholarship Committee, Operations and Planning Committee, Curriculum Committee; Editorial Board member for the U-M Business Review. He has served as chairman of the faculty Committee on the Economic Status of the Faculty, member of the Rackham School of Graduate Studies Executive Committee, Rackham Review Committee, the Executive Committee of the Computing Center, and on several other U-M review groups.

Prof. Leabo served in the 14th Air Force in China in Gen. Chenault's Flying Tigers during World War II. He received the Distinguished Flying Cross, the Air Medal and four Battle Stars for his missions in the Asiatic-Pacific Theater.

Sebastian S. Kresge Professorship Filled by James R. Taylor

James R. Taylor has been named the Sebastian S. Kresge Professor of Marketing at the Business School.

Professor Taylor joined the Michigan faculty in 1967 after completing his Ph.D. at the University of Minnesota. In that year his dissertation won the American Marketing Association award for excellence.

Professor Taylor has published extensively in leading professional journals and has recently published a textbook titled *Marketing Research: An Applied Approach* (co-authored with Thomas C. Kinnear). Active in the affairs of the American Marketing Association and the Association for Consumer Research, Professor Taylor most recently has served as executive secretary for the Association for Consumer Research and was the vice-president of the Detroit American Marketing Association and was a member of the Editorial Review Board of the *Journal of Marketing Research* from 1975 to 1977.

Graduate School of Business Administration
The University of Michigan
Ann Arbor, Michigan 48109

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Harry H. Jones, BBA '54, MBA '55, sent us this picture of his New Jersey car with its "Go Blue" license plates. The car on the right with Vermont license plates belongs to his son, Bob, who is currently in the MBA program here specializing in finance and accounting. Mr. Jones is a managing partner of the investment brokerage firm of Lynch, Jones & Ryan, members of the New York Stock Exchange. His firm has developed the Institutional Brokers Estimate System (IBES), a computerized system which monitors earnings estimates of 50 major brokerage research firms. Jones is arranging to provide this data to the School for our use in the classroom and for research purposes.