

This ongoing study summarizes 1980-81 data from 1158 newly promoted executives in the United States who answered this question: "Assuming the study of business administration best prepares a young person for a career in general management, how important are the following courses as a part of that preparation?" Business Communication—oral and written—was the course selected as Very Important more often than any of thirteen courses.

An Executive Appraisal of Courses Which Best Prepare One for General Management

H. W. Hildebrandt; F. A. Bond; E. L. Miller; A. W. Swinyard
University of Michigan

VIEWS ON THE EDUCATION OF BUSINESS executives and their profiles have occurred since the founding of the first business school.¹ Those profiles, in studies carefully drawn and in more casual articles, build on information such as career paths, education, liberal vs. vocational arts, salary, age, personal life—and others.

Our purpose is to narrow the view—noting only curricular suggestions of business executives, as based on 1980-81 data. Which courses best prepare one for business leadership? Our preliminary statement is twofold: background and results.

MAJOR CONCLUSIONS OF RESEARCH ON 1158 NEWLY PROMOTED U.S. EXECUTIVES IN 1980-81

- Oral and written business communication was the course selected as Very Important more often than any of thirteen courses as preparation for a career in general management.
 - Executives in all companies, as based on gross operating revenues, chose business communication as the course best preparing one for a career in general management.
 - Executives in the following functional areas selected business communication as the course best preparing one for a career in general management: production/operations; marketing/sales; finance/accounting/taxes; personnel/industrial relations; research and development.
 - Executives in the following major industry groups chose business communication as their first choice in preparing one for a career in general management: durable goods, manufacturing; nondurable goods, manufacturing; retail/wholesale trade; business services; regulated industries; and other groups.
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BACKGROUND

A business school should provide for young men special means of training and correct instruction in the knowledge and in the arts of modern finance and economy, both public and private, in order that . . . they may prudently manage their affairs and aid in maintaining sound financial morality; in short, to establish means for imparting a liberal education in all matters concerning finance and economy.²

Joseph Wharton wrote the above in 1881 when he gave funds to establish the first collegiate school of business. One discerns a wish not for a myopic view, but rather for a business profile founded on the broader principles of human knowledge. He was not alone in subsequent years in which the principles remained the same: specialization in business training occurred as higher education grew, yet numerous voices suggested a continuing close relationship between business and the liberal arts tradition.

That trend continues, including the 40 percent standard of the AACSB: "Normally, 40-60 percent of the (undergraduate) course work shall be devoted to studies other than business administration and economics."³

While the above is generally known, it is less known that appeals for a liberally educated businessperson include improving communication. Peter Drucker's tone is reoccurring: "No matter whether the manager's job is engineering, accounting, or selling his effectiveness depends on his ability to listen and to read, on his ability to speak and to write."⁴

Recent studies suggest the need for improved communication crosses functional lines: Hailstones, Roberts, and Steinbrugee (1955) questioned personnel managers;⁵ John Fielden (1960) summarized responses from executives who read the *Harvard Business Review*;⁶ Bond, Leabo, and Swinyard (1964) personally interviewed CEO's;⁷ *Fortune* (1979) interviewed recruiters in the U.S.;⁸ J. David Hunger and Thomas L. Wheelen (1980) drew conclusions based on statements from Deans and business representatives.⁹

Thus our question: Do executives of today hold similar views to those expressed earlier?

Our data is part of an ongoing study conducted since 1967 aimed at newly promoted business executives. Thus persons promoted to vice-president, president, or chairman of the board within the U.S. received a questionnaire which was returned to us and tabulated.

RESULTS

The response rate for 1980-81 was just under 50 percent, or a total of 1158 replies. Newly promoted executives as a percent of respondents by position included chairman (8.5 percent); presidents (27.9 percent); executive vice-presidents (10.8 percent); group vice-presidents (4.9 percent); senior vice-presidents (12.0 percent); and other vice-presidents (36.0 percent). Their median age was 47.6.

Executives came from the following major industry groups: durable goods, manufacturing (31.5 percent); nondurable goods, manufacturing (24 percent); retail/wholesale trade (6.3 percent); business services (3.9 percent); finance, insurance, and real estate (11 percent); regulated industries (13.1 percent); and other groups (9.9 percent).

One section of our questionnaire included material relevant to business school curriculums and persons teaching in the area of business communication. We asked this question: *Assuming the study of business administration best prepares a young person for a career in general management, how important are the following courses as part of that preparation?* Table 1 summarizes the results of the scaling (Very Important to Very Unimportant)

Table 1

**Newly Promoted Executives' Evaluation of Courses
as Preparation for Career in General Management**

Courses	Percentage of Respondents Answering	
	Very Important	Very Important Somewhat Important (Combined)
Business Comm. (oral and written) .	71.4	94.1
Finance	64.7	95.6
Accounting	57.9	90.4
Business Policy/Planning	47.7	86.2
Marketing	38.1	81.2
Business Economics/Public Policy . .	36.5	80.0
Computer/Information Systems . . .	31.7	82.6
Business Law	20.9	47.1
Personnel/Industrial Relations	18.9	64.2
Production/Operations	16.8	60.2
International Business	10.5	52.0
Statistics	10.3	47.9
Advertising/Sales Promotion	8.6	43.2

to the question. Executives ranked business communication as their first choice, a conclusion enhanced by the representative nature of the top executives responding.

Moreover, executives in six of seven major industry groups also give the leading position to business communication; the percentage of respondents indicating "Very Important" include the following:

Regulated Industries	76.6 percent
Retail/Wholesale Trade	74.6 percent
Nondurable Goods—Manufacturing	71.8 percent
Durable Goods—Manufacturing	69.5 percent
Business Services	66.7 percent
Other Groups	76.4 percent

Finance, insurance, and real estate executives place accounting (73.9 percent) and finance (72.3 percent) as their initial choice, followed by business communication (65.8 percent). See Table 2.

When looking at various sized organizations as measured by gross operating revenue, there is similar agreement as to ordering of courses. In all categories, from business under 10 million to over 10 billion, respondents chose business communication as the course best preparing one for a career in general management. Interestingly, the highest value for such preparation was given by executives in businesses above 10 billion (78.6 percent). See Table 3.

A comparison between our three executive groups suggests more agreement than disagreement. Both presidents (69.3 percent) and vice-presidents (73.5 percent) select business communication as their leading course. Chairmen of the board indicate finance as the most important course (69.2 percent), following that with business communication (66.2 percent). See Table 4.

Respondents also indicated the amount of time spent with their present employer; that variable does not change the ranking of the courses. See Table 5.

Finally, we felt it important to know whether one's current functional area would affect course selection. Executives in production/operations (77.8 percent); marketing/sales (76.2 percent); finance/accounting/taxes (75 percent); personnel/industrial relations (78 percent); research and development (65.6 percent); and general management (69.6 percent) selected business communication as the most important course. See Table 6. Executives in the area of law ranked business communication third (65.4 percent), after finance (73.1 percent) and accounting (73.1 percent).

Table 2
 Newly Promoted Executives' Evaluation of Courses as Preparation
 for Career in General Management—By Major Industry Groups
 (Percentage of Respondents Indicating "Very Important")

	Durable goods—Mfg.	Nondurable goods—Mfg.	Retail/ Wholesale Trade	Business Services	Finance; Insurance; Real Estate	Regulated Industries	Other groups
Business Communication (oral and written)	69.5	71.8	74.6	66.7	65.8	76.6	76.4
Finance	66.3	62.1	63.4	61.9	72.3	64.2	61.2
Accounting	57.9	54.8	57.7	50.0	73.9	51.1	59.6
Business Policy/Planning	52.7	47.1	49.3	40.5	41.7	46.8	43.8
Marketing	39.9	43.8	42.0	45.2	28.0	31.4	33.3
Business Economics/ Public Policy	31.6	34.0	36.8	29.3	45.3	44.6	41.0
Computer/Information Systems	32.1	28.1	37.7	34.1	31.6	35.3	30.2
Business Law	18.3	20.4	22.9	16.7	27.0	17.4	27.9
Personnel/Industrial Relations	18.9	20.4	19.1	11.9	16.5	22.9	15.7
Production/Operations	20.7	21.2	14.5	7.1	4.3	11.5	19.0
Statistics	9.1	12.9	9.2	7.1	10.7	10.5	10.0
International Business	12.2	13.2	2.9	16.7	7.1	7.4	8.6
Advertising/Sales Promotion	7.2	8.7	16.4	7.5	7.1	8.8	9.7

Table 3
 Newly Promoted Executives' Evaluation of Courses as Preparation
 for Career in General Management—By Annual Gross Operating Revenue
 (Percentage of Respondents Indicating "Very Important")

	Under 10 Million to 99 Million \$	100 Million to 999 Million \$	1 Billion to 10 Billion \$	Over 10 Billion \$
Business Communication				
(oral and written)	72.0	70.2	71.5	78.6
Finance	64.4	64.9	65.3	58.9
Accounting	59.6	58.4	56.9	57.1
Business Policy/Planning	50.0	47.3	47.9	42.9
Marketing	44.4	38.6	36.5	28.6
Business Economics/				
Public Policy	36.5	32.2	40.1	38.9
Computer/Information				
Systems	26.7	32.8	31.5	39.3
Business Law	24.7	17.7	22.7	17.9
Personnel/Industrial				
Relations	19.9	18.6	19.7	12.5
Production/Operations	21.7	15.1	16.7	16.1
Statistics	12.1	8.6	11.3	9.3
International Business	10.8	10.7	9.7	14.3
Advertising/Sales				
Promotion	7.6	9.4	8.6	5.6

Table 4
 Newly Promoted Executives' Evaluation of Courses as Preparation
 for Career in General Management—By Position

	Chairman			President			Vice-President		
	Very Important	Somewhat Important (Combined)	Very Important Important	Very Important Somewhat Important (Combined)	Very Important Important	Very Important Somewhat Important (Combined)	Very Important Important	Very Important Somewhat Important (Combined)	
Business Comm. (oral & written) . . .	66.2%	89.3%	69.3%	94.4%	73.5%	94.5%	96.0	90.4	
Finance	69.2	96.9	63.8	94.4	64.7	96.0	90.4		
Accounting	64.6	87.7	58.4	90.9	56.6	90.4			
Business Policy/ Planning	53.1	85.9	47.0	84.3	47.9	87.0	78.8		
Marketing	53.0	87.8	39.5	85.6	36.2	79.5			
Business Econ./ Public Policy	51.6	90.3	33.0	79.5	36.8	79.5			
Computer Infor- mation Systems.	21.9	75.0	31.9	72.7	32.8	83.3			
Business Law	32.3	75.8	17.4	63.0	21.2	67.9			
Personnel/ Ind. Relations.	24.2	72.6	16.8	55.0	19.4	53.1			
Production/ Operations	23.1	67.7	15.8	62.3	17.1	58.9			
Statistics	11.5	59.0	8.9	45.0	11.2	47.9			
Intern'l Business.	14.8	57.4	9.6	48.0	10.5	53.4			
Advertising/ Sales Promotion	14.0	57.8	8.1	43.6	8.2	41.4			

Table 5

Newly Promoted Executives' Evaluation of Courses as Preparation
for Career in General Management—By Time with Company
(Percentage of Respondents Indicating "Very Important")

	Less than 1 year to 5 years	6 to 10 years	11 to 15 years	16 to 25 years	Over 25 years
Business Communication (oral & written)	70.8	69.9	74.8	71.5	71.5
Finance	67.5	68.8	60.9	63.7	59.8
Accounting	57.3	63.2	56.7	53.6	59.7
Business Policy/Planning	49.6	46.5	52.2	43.8	46.0
Marketing	40.5	28.8	34.6	38.1	42.6
Business Economics/ Public Policy	34.0	32.7	34.1	36.5	45.3
Computer/Information Systems	35.1	25.5	34.3	32.7	27.6
Business Law	20.9	22.7	23.7	17.4	20.9
Personnel/ Industrial Relations	16.0	11.0	24.4	21.1	24.4
Production/Operations	15.2	15.4	16.8	16.6	20.8
Statistics	12.6	8.5	8.8	8.4	10.6
International Business	12.1	7.7	12.3	7.4	11.3
Advertising/Sales Promotion	11.2	3.3	11.5	7.0	7.5

Table 6

**Newly Promoted Executives' Evaluation of Courses as Preparation
for Career in General Management—By Functional Area
(Percentage of Respondents Indicating "Very Important")**

	Production/ Operations	Marketing Sales	Finance Accounting	Industrial Relations	Personnel	Research and Development	Law Management	General Management
Business Communication (oral & written)	77.8	76.2	75.0	78.0	78.0	65.6	65.4	69.6
Finance	48.6	63.5	73.3	71.1	71.1	60.6	73.1	61.6
Accounting	38.9	62.9	65.3	67.8	67.8	42.4	73.1	56.6
Business Policy/Planning . . .	47.2	56.3	53.8	48.3	48.3	43.8	30.8	46.4
Marketing	35.3	58.7	30.6	27.1	27.1	33.3	32.0	39.1
Business Economics/ Public Policy	27.8	45.2	37.8	38.3	38.3	21.9	44.0	35.1
Computer/Information Systems	20.0	39.1	34.5	33.3	33.3	38.2	34.6	30.2
Business Law	25.0	34.4	20.2	22.4	22.4	14.7	19.2	19.0
Personnel/ Industrial Relations	40.0	25.8	12.5	19.0	19.0	21.2	4.0	19.2
Production/Operations	44.4	12.7	13.3	10.2	10.2	21.9	8.0	18.2
Statistics	6.1	15.0	11.0	12.1	12.1	9.1	4.0	9.9
International Business	8.6	11.3	12.6	6.9	6.9	10.0	3.8	11.2
Advertising/ Sales Promotion	8.6	21.0	6.9	6.8	6.8	--	7.7	8.1

CONCLUSION

This preliminary statement focuses on one specific query: Which courses best prepare one for business leadership? Of 13 curricular options given newly promoted business executives, business communication was selected more often as "very important" than any other course. The quick inference is that executives desire functional competence in finance, accounting, business policy/planning, marketing, and other areas, yet recognize that the vehicle to propel that competence is through both the oral and written word.

Refreshingly, curricular changes are occurring in business schools—requiring business persons of the future to gain clear and logical command over the transmission of ideas. Historical data suggests that the business world consistently wished for more academic work in communication, often advocating liberal arts courses to meet that request. As research continues and as competence in teaching business communication improves, that need is beginning to be met.



NOTES

1. See particularly James H.S. Bossard and J. Frederick Dewhurst, *University Education of Business* (University of Pennsylvania Press, 1931); F.W. Taussig and C.S. Joslyn, *American Business Leaders* (Macmillan Company, 1932); Mabel Newcomer, *The Big Business Executive* (Columbia University Press, 1955); Editors of *Fortune*, *The Executive Life* (Doubleday, 1956); Robert A. Goldwin and Charles A. Nelson, *Toward the Liberally Educated Executive* (The Fund for Adult Education, 1956); Frank C. Pierson et al., *The Education of American Businessmen* (McGraw Hill Book, 1959); Robert A. Gordon and James E. Howell, *Higher Education for Business* (Columbia University Press, 1959); Leonard S. Silk, *The Education of Businessmen* (Committee for Economic Development, 1960); Floyd A. Bond, Dick A. Leabo, and Alfred W. Swinyard, *Preparation for Business Leadership* (Bureau of Business Research, Graduate School of Business, University of Michigan, 1964); William P. Dommermuth, *The Road to the Top* (University of Texas, 1965); Michael G. Duerr, *Are Today's Schools Preparing Tomorrow's Business Leaders?* (Conference Board, 1974); Alfred W. Swinyard and Floyd A. Bond, "Who Gets Promoted?" *Harvard Business Review* 58 (September-October, 1980), pp. 6-11.

2. Joseph Wharton, "Project for a School of Finance and Economy to Form a New Department of the University," in William M. Kephart et al., *Liberal Education and Business* (Columbia University, 1963), pp. 25-26.

3. AACSB Accreditation Council, *Policies, Procedures and Standards*, (AACSB, 1978-79), p. 36.

4. Peter Drucker, *The Practice of Management* (Harper & Brothers, 1954), p. 346.

5. T.J. Hailstones *et al.*, "Personnel Managers Evaluate a College Business Program," *Collegiate News and Views* 8 (May, 1955), pp. 7-11.

6. John Fielden, "Educating Tomorrow's Executives," *Harvard Business Review* 38 (November-December, 1960), pp. 6-18.

7. Floyd A. Bond, *et al.*, *Preparation for Business Leadership*, *op. cit.*

8. Walter Kiechell, III, "Harvard Business School Restudies Itself," *Fortune* (June 18, 1979), p. 53.

9. J. David Hunger and Thomas L. Wheelen, "A Performance Appraisal of Undergraduate Business Education," *Human Resource Management* 19 (Spring, 1980), pp. 24-31.

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