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The Purpose of UD is the Reshaping of Society for Good

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MBA

The purpose of the University of Dallas is the reshaping of future society for good. It is not, however, in itself an instrument of social reform. Rather it seeks to so alter the attitudes and abilities of individuals that their work will accomplish this end. The mode is traditional in the sense that it is based on the concept that the future continuously evolves out of the past; this evolution is not inevitable, automatic, but requires effort and a willed direction of energy; neither is the continuity smooth but consists of innovations which are stepwise constructions of history, not disruptions of it.

Accordingly, the undergraduate school of the University of Dallas aims at preparing people to become innovators of culture. The very strong, traditional, classical educational program is not designed as a bastion of the past, producing advocates of a return to more halcyon days, but as foundations for viable extensions of society into better days. The graduate school is intended to produce practitioners who are highly competent in their fields, at the forefront of the advance of these fields, and infected with innovation. This is to say that the purpose of the school would not be accomplished if it merely produced persons successful in the operations of their profession; nor, on the other hand, would its purposes be accomplished if it produced persons who were detached from the present society--the pure scholar, the scientists, theologian, economist, artist. Every

graduate program of the University of Dallas must have a mission, something distinctive which is much needed in society and can alter its path; at the same time the program must be practical and complete in the sense of equipping its products with competency in present practices.

The graduate school of business can be effected according to one of several models. It is the purpose of this paper to project these models in order to provide alternatives among which might be the one most feasible in accomplishing the aims of the University of Dallas. Three basic schemes will be considered: 1) an elite MBA program; 2) a broad based MBA with an associated fellows program; 3) a broad based MBA with a subsequent small selective doctoral program. An MBA program spans 64 weeks (56 weeks of assigned work); a doctoral program requires an additional 76 weeks.

(1) The elite program is directed toward full-time students. It is a completely subsidized program for both academic expense and subsistence. It must attract the very best students. A scheme for selecting these students is as follows: Sixty students would be selected on the basis of tests, interviews, and recommendations; these students would be brought to the campus at the beginning of summer and put through a twelve-week session of intensive courses covering certain basic skills and ideas, seminars which will reveal abilities to organize and express concepts, and sensitivity sessions. At the end of the twelve-week

session, the faculty will evaluate each student; the twenty best would be offered fellowships for the ensuing twelve months; certain of the others would be advised that they will be eligible for consideration next year and that certain deficiencies should be repaired in the meantime, possible with course work or self-study in addition to regular employment. All of these students would benefit by the summer's work and the analysis would thereby have some advantage in entering employment or a graduate program elsewhere beginning in September. During this summer the students would live in a dormitory, apart from their families, if any. Thereafter the twenty selected students would be allowed to live elsewhere, but wives of married students would be brought in for indoctrination in order for them to understand the intensive character of the year's work ahead. Course work would extend through the full winter, and second summer terms; the student would then enter employment in September with some major report papers to be prepared on his firm prior to his receiving the degree in May. The program of courses would be the same for all students, regardless of backgrounds. The group of 20 students would stay intact throughout the program.

The subsistence portion of this program would cost:

| | |
|------------------------------------|---------------|
| 60 persons for the summer @ \$548 | \$32,880 |
| 20 persons for 12 months @ \$3,500 | <u>70,000</u> |
| | \$102,880 |

The academic portion would budget as follows:

| | |
|--------------------------------|------------------|
| 8 man staff averaging \$25,000 | \$200,000 |
| Library | 5,000 |
| Secretarys | 10,000 |
| Travel | 4,000 |
| Ptg., mailing, etc. | 2,000 |
| Computer support | 5,000 |
| Bldg. operation & Maintenance | 20,000 |
| Genl. Adm. Overhead | 40,000 |
| | <u>\$286,000</u> |

Thus the program would cost just short of \$400,000 per year, producing 20 prestigious MBA's at \$20,000 each. The eight man staff is about minimum for covering the needed specialties. This staff could, however, handle twice as many students. The added subsistence would bring the cost for 40 students to \$470,000 for a cost per student of \$11,750 for the fifteen month program. (Of this amount \$4,400 is for subsistence, \$7,350 for academic work: apportioning this academic cost to a 9 month year would yield a cost of \$5,100 per academic year--about what a science graduate student costs--below the cost of a medical student, but considerably above the cost of most graduate students, whose average academic cost is about \$2,500).

Now consider variations. Is it practical to take all 60 nominees through the entire program (cost per student of \$9,166) or raise it to 80? (cost per student of \$7,875). The latter number is about as many as could be handled without changing the scheme. It would entail an annual outlay of \$630,000. The difficulties would be the obtaining of sufficient funds, selection of as many as 80 qualified candidates, and the dilution of personal

attention from the professors. Would it be possible to get by with five professors? The disadvantage would be that each professor would have to cover three or four different subjects and is not likely to be an expert in each. But if the decision was made to handle 40 students with five professors, the cost per student would drop from \$11,750 to about \$10,000, or, putting it another way, if \$400,000 were available, twenty students could be produced by eight professors, forty students by five professors.

Could the average salary be lower? At \$20,000 annual salary (not academic year) a good staff could still be recruited, lowering the outlay by \$40,000. At \$15,000 average, the staff could not be built out of proven professors of some reputation; the elite concept would have to be foregone.

Could the students provide their own subsistence? Perhaps the first summer program could be provided on the minimum level shown, then the students could arrange loans for the ensuing year. The outlay would then be \$320,000 (or \$245,000 for the five man staff.) The question then would be could a sufficiently highly qualified student body be attracted to warrant the expensive faculty? Or warrant the full tuition scholarship? The subsidy is probably an essential ingredient for the elite concept of the school.

Thus the elite concept might be considered to require \$320,000 to \$630,000, with the most likely figure about \$450,000 for 40 students produced each year. The student spends a summer, an

academic year, and a second summer in course work, then about eight months in employment with occasional reports and consultation before getting his degree two years after his first entry.

(2) The broad based MBA, while it has a standard program, allows variations because of varying background and some possibility of variations because of interests--for example, a concentration in international trade. The courses are taken individually, not as a class; consequently part time work is feasible. A broader spectrum of courses is offered, a less selective process is used for admission, students pay tuition (\$1,200 of about a \$2,000 cost), professors range in stature with an average salary of about \$13,000 per academic year (\$15,160 per year including six weeks of summer). A student will require the equivalent of about two academic years to get a degree and will invest about \$2,000 in addition to his subsistence. The University will supply about \$1,600; since the number of students going through to completion in a part time program is small, the investment by the University per MBA produced may be about \$4,000. The part time students enrolled would be equivalent to about 150 students. The annual support needed would be \$120,000. There would be ten full time professors in this scheme. The subsidizing of a few full time students would add to the funds needed.

The present practice of the MBA program runs about as described above. It is a good program, more modern in concept than most; it serves a need in the area. Does it fulfill the purpose

of preparing the innovators of society? Probably not. Because it is largely part time, it does not create a "school" in the sense of a group of students and professors working together over an extended period of time to rethink the fundamentals of business. It has the advantage of providing a fairly large base of students and therefore professors who can be specialists in their particular aspect of management. This base can be used to support a small selective "fellows" program, run similarly to plan 1, with 20 students in a tightly structured program. Probably half of the course work would be in large sections in conjunction with regular students, the other half would be in classes limited to the ones in the program. The academic cost for a program would be about \$75,000, the subsistence cost would be \$87,500, for a cost per fellow of \$8,125. This fellows program could be quite distinguished and accomplish the purposes of the University. The total sustaining funds needed by the graduate business school would be about \$285,000 (total budget of \$465,000).

(3) Instead of running a parallel "fellows" program for the MBA, a similarly designed program could be built on top of the MBA leading to the doctorate. This program would require somewhat more subsistence and some added academic expense. It would be a two year program subsequent to the MBA. Perhaps ten students a year would be sufficient to have an impact and may be all that would be both qualified and available. The overall expense of the program would then be about the same as the previous

two above.

In summary, the possible models are as follows:

| Present MBA | P-T Stud. | F-T Stud. | Annual Cost | Funds Needed | MBA per yr. | Cost/MBA |
|--------------------------|--------------|--------------|----------------|-----------------|-----------------|-------------------|
| 1. Elite MBA | 0 | 40* | \$470,000 | \$470,000 | 40 | \$11,750 |
| 2. Present & "Fellow" | 350 | 20 | \$465,000 | \$285,000 | 30 20 fel. | \$ 4,000 8,125 |
| 3. Present & Doctoral | 350 | 10 | \$465,000 | \$285,000 | 30 + 8 Ph.D. | 4,000 20,000 |

* The 40 of one year would overlap the 40 of the next during the summer.

The regular MBA program should perhaps be larger than shown here. A model worked out some time ago projects a growing school; the salaries for professors is probably low (according to a number of talks with people in the field) and needs to be adjusted upward, but the scheme is approximately that of a likely program. The parallel "elite" program could be attached to this model. The model is attached as an appendix.

The present curriculum is probably basic to any program undertaken. The elite program could be moved upward quantitatively, but most of the new material is included in principal in the present program. It has been the subject of a good deal of study and revisions.

(SEE NEXT PAGE FOR CURRICULUM)

Present CurriculumHuman Behavior

65 Humanities
67 Behavioral Science
86 Motivation

Economic Behavior

62 Funds. of Eco. Analyses
77 Monetary & Fiscal Policy
84 Tax Law & Regulations

Skills & Methodolog

61 Finite Math
64 Quan. Math
70 Manag. Acctg.
71 Res. Methods
Intro. to
Computer Prog.

Management Process

92 Principles of Management
74 Systems Management

73* Production
79* Marketing
91* Finance
93* Research Management
90* Total Business Environment
99 Field Research

It is possible for any student to satisfy some of the courses above the line by previous undergraduate preparation, usually not more than two. A minimum of fourteen courses is required; sixteen is usual. The computer programming course is a self-instruction programmed learning course expected of all students but no included in credits toward the degree; use of the computer is expected in several courses.