I am happy to be able to discuss the future of graduate management education, because it is a strong interest of mine. Serving on the Board of Visitors at Duke University has helped me realize how important this topic is in terms of the productivity of business schools in their role of providing leadership to American business.

As a matter of fact a Control Data task force has just completed a review of the current performance of business schools. Their results became available to me just in time for this meeting.

In addition to reviewing Control Data's needs, we surveyed 40 other Fortune 500 companies to obtain their view of present MBA programs and to find suggestions for improvement.

The task force also reviewed studies of present and future curriculum content needs, such as the 1980 Paris Conference on Management, sponsored by the American Association of Collegiate
Schools of Business, and the European Foundation for Management Development. In 1980-81, Control Data and Cranfield University in the U.K. conducted a delphi survey on the future of executive and management education needs, including several hundred of the world's leading business and education leaders. The results of this delphi study were also included in the task force report.

The essence of what we found is this: Traditionally, the MBA degree has been perceived as the ticket through which employees or students demonstrate their readiness for a management position or greater managerial responsibilities. This perception of the MBA degree as a "ticket" among other implications has meant a relative lack of focus on the actual content of degree courses by the student or the business community. The economic shifts of the past several years, however, have radically altered many of these perceptions.

The overall scenario stemming from the Control Data Task Force research contains companies dissatisfied with existing graduate management education. Generally, graduate management programs are viewed as not having changed much in the past 15 to 20 years. The emphasis is still on "smoke stack" industries, while the majority of business has become service, high technology oriented.
There is too much emphasis on theory and not enough on practice. Many firms are establishing a criterion of experience, along with MBA, to be qualified for employment.

A special report in the January-February 1984 issue of the Harvard Business Review also chronicles this shift:

- Insufficient preparation for a long-term point of view.

- Too much emphasis on quantitative analysis (particularly for financial controls and goals) and too little on qualitative factors that arise from corporate goal setting and the necessary injection of value judgments.

- Generally oriented toward bureaucratic management rather than toward entrepreneurial activities.

- Heavy presentation of "tools," concepts, and models at the expense of rigorous, more qualitative thinking, complex trade-offs, and creativity.

- Lack of attention to interpersonal relationships, development of the individual, and the "whole life" -- too much time is devoted to the career and corporate goals.
Graduates of business schools are unable and/or unwilling to make the chancy decisions enterprises need for survival.

Graduates are inept and uncomfortable in environments where they must balance corporate and social goals.

Two general themes emerge from this and other material. First, course content needs to be expanded to include specific functional areas critical to the success in business today. Such areas include:

- Human Resource Development
- Communication and interpersonal skills
- Operations (as opposed to financial analysis)
- Entrepreneurship

It's noteworthy I think that the Fuqua School is ahead of many others in addressing these needs.

The second and more critical theme has proven far more difficult to address. Commonly referred to as "Life Long Learning," this theme suggests that managers must learn how to learn and must make a personal commitment to continuing lifetime education and development. An MBA degree, completed
relatively early in a manager's career, cannot be perceived as the end of an individual's education. The rate of change in technology, the larger business environment and the like make life-long learning mandatory.

Business is providing the bulk of this life-long learning activity, much of it through internal programs. Executive development programs within universities are also beginning to adapt to these needs. However, the process is slow and needs to be speeded up. I believe that we should look toward cooperative efforts between companies, universities and colleges in order to provide the education needed. Most of the companies our task force contacted view cooperative efforts with existing institutions as the best way to improve programs.

These needed improvements in the role of business schools is providing future leaders, however, pale beside their woeful inadequacy in the area of minorities. The failings of our society to provide economic opportunity for blacks and other minorities are painfully evident from the most casual perusal of the daily media. The epitome of this failing however is the number of black students currently enrolled in our nations MBA programs. Since official statistics are given in terms of total minorities, hard data in that regard is difficult to come by, but I would be surprised if Black MBA students represent as much as two percent of the total population.
As a member of the Fuqua School of Business Advisory Board I have been appalled at the circumstances that lie behind those statistics. Business schools compete intensively for the few available candidates. As a result there are few, if any, black MBA students in the U. S. today who are not fully subsidized in terms of scholarships and other financial aid. Such a situation is not only economically counterproductive. That is, instead of increasing the supply, we are raising the cost of a scarce resource. It actually imparts an unrealistic expectation to those few minorities who come out of the MBA programs.

The responsibility for this totally unacceptable state of affairs rests with all concerned parties -- business, the graduate schools of business, and yes, indeed, the undergraduate schools who supply them. The excuses one hears have a terrible familiarity -- "they aren't qualified" (in one survey less than one percent had requisite SAT scores and GP averages) -- "they aren't interested," and so on and so on. That those unfortunate statements are true is beside the point. It is our responsibility to have them become untrue. Only a cooperative effort between undergraduate and graduate educational institutions and business can cause that to happen. It's time we got on with it. I have seen the modest beginnings of such an effort here at Duke. With the help of people such as yourselves we can do more -- we can see that this country has the minority business leaders it must have.