



Some Timely Programs for GSM

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SOME TIMELY PROGRAMS FOR GSM

Mason Gaffney

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(Updated and emended, 24 February 1990)

The following program suggestions are a preliminary response to Vice Chancellor Everly Fleischer's call for constructive reactions to problems in GSM. They are modified following a conference with the same.

Endnotes and Appendices are an integral part of this statement.

1. Business and the Environment

See statement by John Baden (Appendix I). I do not necessarily endorse Baden's ideological position, but his identification of an unfilled new demand. Actually this "new" demand is a generation old, which gives an idea how slow other schools are to respond to obvious needs, and how correspondingly great are the openings for any school that is fast on its feet. Here is a wide-open opportunity for an alert small new school to seize.¹

(Cf. §3, Environmental Liability in Real Estate.)

2. Finance

New teaching emphasis on useful knowledge, to give insight into and serve actual needs of business and government. "Useful" does not mean "grubby and trade-schoolish," but relevant and functional. The teaching sequence should be as follows: a) Basic mathematics and principles; b) Applications and institutions; c) Advanced topics².

Public finance.

Real estate finance (cf. §3).

Financial institutions, management and regulation.

3. Real estate

The Inland Empire is the most active real estate market in southern California, in turnover and new construction and land development. Student protesters wanting more "meat and potatoes" have specified "land development" among courses and programs wanted.

Planning and development.

Brokerage.

Real Estate Finance; Real Estate Law.

Private-public interface.

A new subfield: Environmental Liability and Real Property Transactions (cf. §1).

At various times GSA employed Dallas Holmes, an attorney specializing in real estate planning and development; Ken Topping, now Director of Planning for the City of Los Angeles; David Shulman, a highly visible real estate economist with Peat Marwick; and myself, who now teach urban economics and land and resource economics in another department. GSM might have seized on such raw materials to build a program in real estate; but it let the ships pass in the night.

4. Accounting

This field, properly developed and supported, is highly integrative and communicative and overlaps with all others, as well as with economic theory³. It could and should be the unifying tissue of any business school. This entails elevating it above its pedestrian image and traditions. At the same time it is in high demand precisely because it leads quickly to lucrative work, specific and applied, which is not such a bad thing either.

The present support for accounting is minimal, and a great opportunity is being lost. There is only one professor of Accounting, and an Assistant Professor. The former complains of being harassed and threatened (cf. Appendix II).

In my own field of public finance I would value support from a tax accountant, for example. We have none, to my considerable impoverishment.

5. Business law

GSA used to offer this, employing Dallas Holmes part time. That GSA could attract so prominent a person indicates great possibilities, now untapped, for working with the local community.⁴

Business law also of course encourages a realistic frame of mind among theorists who are tempted to overlook human institutions and experience in their fascination with manipulating abstractions. Exposure to theorists is also bracing for lawyers, who may become excessively confined by traditions and limitations from the past.⁵

6. Business communication and control

7. Industrial organization; economies of scale.

GSM does not need a Ph.D. in economics that has only one student, and absorbs over half a million dollars a year in salaries, perquisites and support. It does not need any program specializing in social choice theory, developed in recondite ways that are probably sterile, arduous to communicate, and certainly unavailable and irrelevant for 99% of its students. Resources absorbed by this program could be used to develop professional subjects appropriate to a professional school. Social choice theory (if it has value) is for theorists in a Department of Economics.

Many Business Schools have Departments of Business Economics. That is appropriate and useful. However, to graft mathematical approaches to something as abstruse as social choice theory onto a business school curriculum is to implant an organ the host is bound to reject. The sooner this incompatibility is recognized the greater the chance of saving the patient.

It is true GSM has added FTE in other fields too. However at present the choice senior positions, the supergrade professorships, the extraordinary perquisites, and effective leadership of program development and personnel selection are dominated by these theorists. Their ambition reaches outside GSM to the extent of seeking to control other Departments. Conflict and hostility are inevitable.

GSM needs and lacks applied economists. The old GSA lacked economists, and was dominated by people who resisted even applied economic theory. These people were and are good to excellent teachers who meet real student demands in a useful, effective way; their weakness was in failing to recognize applied economic theory when they saw it, and accept and support it. That misjudgment hardly justifies going far over to the other extreme, however.

The present Dean has gone to the other extreme and developed economics in abstruse, irrelevant forms. The middle ground is unoccupied; it is left as a no-man's land separating the extremes, who have no means to cross it and deal with or understand each other. The solution to divisions in GSM is to settle and develop that middle ground. Again, GSM needs and lacks applied economists.

This is not a time to dig trenches and defend old positions. It is certainly not a time, there never is a time to intimidate and persecute critics and dissidents. Arguably, these dissidents

are doing everyone a favor by facing unwelcome facts (Appendix II) that should concern all responsible persons.

This is a time for responsibly facing those unwelcome facts about failures and deferred problems, a time for accountability, a time for keeping old promises and beginning new initiatives appropriate to a graduate business school.

APPENDIX II

Unresolved problems that must be faced in GSM

-- The distinguished Boyd Professor of Finance has resigned only shortly after arriving. There has been no report on the nature of his dissatisfaction to offset rumors of his critical evaluation of GSM administration.

-- One professor, originally a close associate of the Dean, is suing the Dean and The University for bias.

-- One professor cites broken promises to establish a program in banking, and reports being harassed after complaining.

-- One new professor had to be retired.

-- Another professor complains of being pressured and threatened with sanctions if he does not vote on personnel cases as instructed.

-- All the above five professors were hired by the present Dean, who then praised them extravagantly. Cf. n.4.

-- One senior professor resigned, saying the atmosphere in GSM under the new Dean was intolerable.

-- A former Lecturer is suing the Dean and UCR for improper termination.

-- Salary scales at GSM are at odds with UC rules and traditions. Some Assistant Professors make more than some Full Professors. Persons are hired for extreme jumps over their prior salaries elsewhere. Salaries generally are substantially higher than comparable worth in other schools at UCR. The resulting GSM budget is a major drain on UCR resources, and the cause of major discontent elsewhere on campus. There is serious question whether there is much to show for it.

-- The Academic Senate took the unusual step of instructing two separate committees to investigate salaries and related personnel matters at GSM. They took this step nearly unanimously, over the expressed opposition of the Vice Chancellor. Two GSM professors spoke in favor, and a former acting Dean of GSM introduced the motions. The committees will soon report back.

-- GSM has failed to produce programs in Finance and in Marketing. These were its two primary mandates and promises. Resources have been diverted elsewhere.

-- A former Acting Dean of GSM, a person known for moderation and discretion, is quoted in The Press/Enterprise that the present Dean and his spokesman have "sold a bill of goods."

-- 98 or more MBA students signed a petition demanding the Dean's resignation, accusing him of various shortcomings, including failure to deliver promised courses and programs in basic business subjects.

-- Student rumors are rife that a professor and an administrator in GSM have threatened students with reprisals to induce them to repudiate their signatures.

-- The Dean has publicly attacked the student petitioners for what he calls a "vicious attack," and for not knowing what they signed. There is little or no sign of acknowledgment or accommodation or other constructive response.

-- The Press/Enterprise, normally supportive of UCR, has run three embarrassing reports on GSM within a few months (four if we include the resignation of the Boyd Professor; five if we include coverage of the controversy over hiring a professor's wife; and possibly six by the time this statement is read). Community damage is heavy; support for a proposed new Law School may be compromised.

-- Some students are taking steps to transfer out. This might turn into a rout. Students are reportedly still hoping the Administration will acknowledge their legitimacy. They feel they have been at best belittled and patronized.

-- The student newspaper The Highlander has run two embarrassing reports on GSM in consecutive weeks in February.

-- An external review committee report was highly critical of shortcomings at GSM. It noted, among other problems, failure to offer enough basic business subjects. Recent hires in social choice theory, at supergrade salaries, show no intent to overcome the problem.

-- GSM has failed to achieve Accreditation, after six years under the present Dean, and heavy drains on the UCR budget.

-- The Dean's supporters have not called a meeting of the faculty to secure a vote of confidence in response to the student petition. (They have taken the unusual step of securing selected faculty signatures on a counter-petition instead. Critical faculty members were not approached for signatures. There was no confidentiality in the process.)

-- The retired Dean of GSA has not expressed any support for the Dean or his programs or personnel.

-- The Department of Economics, which once petitioned

Chancellor Rivera to switch it from H&SS to GSM, has been alienated by a domineering posture of GSM representatives on the GEG executive committee. It has offered no token of confidence in the Dean at this critical time.

-- SES has not been heard from on the matter of confidence at this time.

-- Education, which shares a professor with GSM, has not been heard from either.

-- The Hullar Plan, mainly controlled and directed by GSM, has conspicuously failed. The GSM economists ("advanced economic analysis" field) have only one candidate for the Ph.D. in economics; SES has none. That is failure; the evidence leaps out. Denial and coverup⁶ and wishful thinking are no longer viable. The one success is the Department of Economics, which is thriving in spite of, not because of the severe handicap of forced association with GSM.

-- GSM has diverted resources to teaching undergraduates even though it has no authorization to give any undergraduate degree, and has failed to achieve Certification for its graduate degrees, and is apparently shorting its MBA students whom it has fatally alienated.

-- The Dean has apparently deluded or allied with the Vice Chancellor, causing him to tell me GSM deserves credit for building up undergraduate programs (which in fact it appropriated from H&SS). Its appropriation of others' courses in this field is of no credit to GSM; some call it opportunistic and predatory.

-- GSM personnel have received disastrous student evaluations in some of the largest introductory courses, damaging the program of the Department of Economics these courses are supposed to serve.

-- GSM personnel teaching economics courses are receiving premium above-scale salaries for doing the same work members of the Department of Economics do for normal salaries. Often the GSM personnel do the job badly, as noted.

-- GSM administrators have apparently violated procedures in handling personnel cases. In at least one case (Professor Auerbach) The Committee on Privilege and Tenure has rebuked GSM and ordered his case reconsidered. In another case Professor Khoury has been moved to undergo the enormous personal expense of suing UCR.

-- The extraordinary tension and overt personal hostility among faculty members in GSM is remarked by all sides, and has gone unresolved for years.

-- The Dean is again advancing the case for hiring the

wife of a supergrade professor. The case was raised last year and was highly controversial. Apparently the interview process has reached an advanced stage, yet I myself have never heard or read a word of it from any official source. I am a tenured professor in GSM (without FTE), and participate regularly in personnel cases when I am notified.

-- The Chancellor is quoted in the Press/Enterprise Friday, February 23, 1990, saying there are no real problems in GSM.

ENDNOTES

1. The dominant mindset in GSM is inherently hostile to identifying and seizing new opportunities because it is essentially imitative. To be imitative is to forfeit the intrinsic advantages of being small and new and growing: adaptability, flexibility, speed, and freedom from prior commitments. GSM can be a pale miniature of 40 leading schools, or it can mark and seize a distinctive niche. The latter takes courage and self-respect; the former is a time-tested formula for mediocrity or failure.

2. Care should be taken that advanced research is more than a euphemism for private hobbies, or a medium for academic networks of mutual admiration and support. In the competitive emulation of scholarly publication there has evolved a high degree of goal displacement, where the cosmetics of scholarship take priority over actual achievement. Abuse of scholarship has unfortunately become as much the rule as the exception; humbug is not unknown. Effective recruitment today demands we recognize that reality.

Many people become cynical, rationalizing they must "respond to the incentive structure" (of which they then become a part). They become highly skilled at making the right moves and intoning the right formulas to play the system: "refereed publications," "prestigious journals," "major universities," "respectable departments," "mainline economists," etc. Note how much of this language of academic promotion subconsciously exalts convention, and imitative behavior. Sight is lost of genuine achievement and usefulness and productivity.

3. Perceived with a little imagination, accounting integrates economics with natural science too. Balancing the books is like the conservation of matter and/or energy applied to money -- or vice versa, since money and accounting are older than the natural science concepts. Turnover is like metabolism. Depreciation is like aging. Circulation is like national income accounting. We should be breaking out of our little disciplinary shells and exploring such likenesses. Everyone deplores disciplinary provincialism, but few do anything about it. Here is another unmet demand for us to fill.

4. That a school attracts outstanding people is a sign of high potentialities; that it then alienates and/or loses them is a sign of dangerous problems.

5. Lest one is tempted to dismiss my recommendations as coming from an anti-theorist, I have a published history of debating lawyers, taking the role of the theorist. Perhaps these debates taught me respect for the adversary.

6. Last fall GSM circulated a list of several graduate students. Evidently most of those were either no-shows or candidates in finance, a program that is being shorted in favor of "advanced economic analysis."