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THE JOSEPH L. ROTMAN SCHOOL OF MANAGEMENT  
UNIVERSITY OF TORONTO

**THE ROTMAN SCHOOL  
AN HISTORICAL PERSPECTIVE  
1901-1998**

by

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This history surveys education in Commerce and Management at the University of Toronto from 1901 to June 30, 1998. It covers only programs on the St. George campus and does not include programs of the University of Toronto at Mississauga or at Scarborough, nor does it include programs conducted by Woodsworth College or the School of Continuing Studies.

The author is Professor Emeritus, University of Toronto. He began his association with the BCom program as an undergraduate in 1943 and joined the staff of what is now the Rotman School of Management in 1960. The history is a mixture of documented history, personal recollections, and subjective impressions.

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## **Summary of the History of the School's Degree Programs and Name**

The programs for which the Joseph L. Rotman School of Management is now responsible had their origins in 1901 when a diploma program in Commerce was inaugurated in the Faculty of Arts. This was transformed into a Bachelor of Arts program in Commerce and Finance in 1909 and into a Bachelor of Commerce program in 1920. These programs had a strong liberal arts emphasis, which the BCom program still tries to retain. A Master of Commerce program was started in the Faculty of Arts in 1938 to provide a more professional program. In 1950 the MCom program was transferred into the newly created Institute of Business Administration with a Director as its head. The degree was changed to Master of Business Administration in 1960 and the Institute was renamed the School of Business. It was elevated to the status of a Faculty with a Dean in 1972 and renamed the Faculty of Management Studies. The name was shortened to Faculty of Management in 1986 and was named the Joseph L. Rotman School of Management in 1997 in honour of its principal benefactor. It still, however, retains its status as a Faculty in the University of Toronto.

A Doctor of Philosophy program was begun in 1969 to develop its research orientation and to provide business school faculty for Canadian universities. In 1982 the School assumed responsibility for teaching the Commerce courses within the BCom program and in 1992 the BCom program became a joint program of the Faculty of Arts and Science and of the Rotman School. In 1983 the School began a privately financed Executive MBA program. In 1989 a privately funded MBA in professional accounting was added. In 1996 it was moved to the University of Toronto at Mississauga and the degree changed to Master of Management & Professional Accounting. The School also offers a variety of non-degree Executive Development Programs and operates a number of research centres which complement its teaching and research activities.

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# 1. THE JOSEPH L. ROTMAN SCHOOL OF MANAGEMENT

## 1.1 The Origins of the Rotman School of Management

Graduate education in Commerce began with the establishment of the Master of Commerce program in the Department of Political Economy in the Faculty of Arts<sup>1</sup> in 1938. In 1950 the University created the Institute of Business Administration out of the Institute of Industrial Relations which had been established in 1945 and transferred the MCom program to the new Institute<sup>2</sup>. The head of the Institute had the title of Director. In 1960 the name of the Institute was changed to School of Business and the degree was changed to Master of Business Administration. In 1972 the University raised the status of several of the graduate professional divisions from Schools with a Director as head to that of a Faculty with a Dean as head. The name of the School of Business was changed to Faculty of Management Studies<sup>3</sup>. The choice of the name Management Studies was based on the growing trend to regard *management*, not *administration*, as the appropriate function of the Faculty and to reflect the fact that graduates of the Faculty were to be found in both the business and public sectors of the economy. The word Studies was added, following British precedents, to indicate that the faculty engaged in research to *study* the practice of management. In 1986 the name was shortened to Faculty of Management. In 1997, in acknowledgement of a donation from Joseph L. Rotman, the Faculty was renamed the Joseph L. Rotman School of Management. It still, however, retains its status as a Faculty in the University of Toronto.

## 1.2 The Directors/Deans of the Rotman School of Management

Since its inception the Rotman School of Management or its predecessors has had eleven directors or deans. The first director of the Institute of Business Administration was Vincent Bladen (1950-53), Professor of Economics and previously Director of the Institute for Industrial Relations. Bladen left in 1953 to become Head of the Department of Political Economy and later Dean of the Faculty of Arts and Science. He was succeeded by T .C. Graham (1953-60), Professor of Production in the Institute who had been recruited from Woods Gordon, a Toronto business consulting firm, in 1950. Warren Main ( 1960-71) succeeded him. Main was Professor of Economics in the Institute and had come to the Institute from the University of Saskatchewan in 1953 where he had -gone after obtaining a PhD at the University of Toronto.

After Main's term ended John Crispo was appointed Acting Dean for 1971- 72 and Dean in 1972 of the newly named Faculty of Management Studies. Crispo was Professor of Industrial Relations and had come to the School of Business after a year at the University of Western Ontario following doctoral studies at the Massachusetts Institute of Technology. He resigned in 1975 and

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<sup>1</sup> The Faculty was renamed Faculty of Arts and Science in 1960 and the choice of a Bachelor of Arts or a Bachelor of Science instituted.

<sup>2</sup> A fuller account of these developments is in Bladen (1978), pp. 108-9 and 122-4

<sup>3</sup> Other Schools raised to Faculty status included Social Work and Library Science.

Max Clarkson (1975-80), a U. of T. graduate, was recruited from Graphic Controls Corporation (Buffalo, N.Y.) where he was President to become Dean. Douglas Tigert (1980-85), Professor of Marketing, was the next Dean. He had come to the School in 1970 from a position in the Graduate School of Business of the University of Chicago following doctoral studies at Purdue University. Roger Wolff (1985-92), Associate Professor of Management Science who had come to the School in 1969 from doctoral studies at Indiana University, succeeded Tigert. Wolff was on sabbatical leave during his first year of office and John Sawyer, Professor of Economics who had joined the School in 1960 from the Dominion Bureau of Statistics following previous appointments at the Royal Military College of Canada and the University of Alberta and doctoral studies in the Department of Economics of the University of Chicago, was appointed Acting Dean, 1985-86. Hugh Arnold (1992- 97), Professor of Organizational Behaviour who had joined the Faculty in 1977 after doctoral studies at Yale University, followed Wolff as Dean. Arnold resigned effective January 21, 1997 to accept a position in the private sector. Paul Halpern, Professor of Finance who had joined the School in 1969 after doctoral studies at the Graduate School of Business of the University of Chicago was appointed Interim Dean, January 22, 1997- August 31, 1998. (It may be of interest to note that Crispo, Sawyer, and Halpern are Bachelors of Commerce from the University of Toronto and Tigert is a Queen's University BCom.)

Effective September 1, 1998 Roger Martin (will become) Dean of the School. Martin, Canadian born, is a Harvard MBA and a director of the Monitor Company, a Cambridge Massachusetts consulting firm with global operations. Martin had opened the Toronto office of the firm in 1987 and later moved to Cambridge as a senior partner in the firm.

### **1.3 The Mission of the University of Toronto in Relation to the Rotman School of Management**

The Provost and Vice-Provost (Adel Sedra and Carolyn Tuohy) announced in September 1993 a planning process across all divisions of the University designed to formulate plans for the University and each division for the period 1994-2000. 'Planning for 2000: A Provostial White Paper on University Objectives, University of Toronto,' (February 14, 1994) was published in *The Bulletin*.

In the White Paper the mission of the University is stated as

an internationally significant research university with undergraduate, graduate and professional programs of excellent quality" ...We are a *research university*. The nexus between teaching and research is absolutely central to our mission. ...To say that our mission embodies "international significance" is to recognize that our teaching and scholarship must be held to international standards of quality.

As a research university, the University of Toronto provides a strong base for professional education, both in established professional areas and in emerging areas that cross established professional and disciplinary lines. Nowhere is the translation of research strength into problem- apparent than in these professional areas.

We offer a variety of programs leading to degrees of professional practice, ranging from first-entry undergraduate programs ...to master's-level programs ...in areas of study which provide graduates with the skills necessary to play leading roles in key sectors of society. (p. S3)

The University of Toronto has the broadest range of professional programs of any university in Canada. ...As a research university, the University of Toronto has the capacity to educate not only the professionals of tomorrow but also those who will educate professionals in the future. Given these strengths, it is appropriate that we play a leadership role in professional education in Canada. (p. S12)

In this way, the Bachelor of Commerce, Master of Business Administration, and Doctor of Philosophy programs of the Rotman School of Management are seen to fit into the University's mission.

With respect to the linking of teaching and research in professional faculties, the White Paper said:

...our policies recognize that truly creative professional activity can be as significant to the mission of the University as is research and scholarship defined in more academic terms. The challenge has been and will be continue to be how to document and assess creative professional activity in a way that is comparable to the assessment of research and scholarship, and how to strike the appropriate balance between research and creative professional activity in a given division.

There are some cases in which the focus ...upon tenure/tenure-stream faculty may need to be modified. In some practical and professional areas, courses taught by tutors form an integral part of undergraduate programs of study. Furthermore, bringing in, as adjunct professors, individuals who have distinguished themselves in related fields of activity can enrich our undergraduate and graduate programs. (p. S5)

The White Paper also described (pp. S26-7) the Academic Priorities Fund, to be created by merging some existing funds, in order to support new academic plans in the various divisions of the University. This Fund will be the principal means by which divisional base budgets will be differentiated. The Fund may also be used as a way of supplying matching funds to external funds attracted by a division.

#### **1.4 The Mission of the Rotman School of Management**

Following the Provostial White Paper, a document 'Planning for 2000: Divisional "White Paper" Plans' was published on October 2, 1995. The plan for the Rotman School of Management submitted by the Dean (Hugh Arnold) and endorsed by the Provost stated (p. T14):

The [Rotman School of Management] is on a strong trajectory of growth. ...A number of factors position the Faculty to make this major advance. Its situation in Toronto places it at one node in a global network of cities. Within the University of Toronto, it can draw upon the diverse resources of a major research university.

At the core of the [School's] plan is a substantial increase in academic complement. The [School] makes a convincing case that, in order for it to rank among the top North American schools and continue to offer a broad range of programs both undergraduate and graduate, the critical mass of faculty required is significantly above its current complement. ...This increase will enable the [School] to make a number of key changes: to reduce the heavy reliance of the Faculty upon stipendiary teaching, especially in the B.Com program; to bring faculty teaching loads more in line with those of major American competitors; and to add an additional section to the full-time MBA

program and two new streams to the PhD program.

This is a very ambitious plan, highly dependent upon establishing partnerships with private donors. ...It will result in a major re-positioning of the [School] in the international context.

On December 12, 1996 the Council of the Rotman School of Management adopted the following statement of its mission:

[The Rotman School of Management at the University of Toronto] is an internationally recognized centre of management research and education. Its mission is to provide outstanding educational programs that enhance the effectiveness of the participants and the competitiveness of their organizations in a rapidly changing global environment and to foster management scholarship and professional practice of the highest quality.

### **1.5 The Vision of the Rotman School of Management**

On December 12, 1996 the Council of the Rotman School of Management adopted the following statement of its vision of its future:

The vision of [the Rotman School of Management] is to be the pre-eminent business school in Canada, recognized by the business and academic communities as one of the leading business schools in the world. It is to be a national resource for business and a major contributor to enhancing Canada's international competitiveness.

The Rotman School of Management at the University of Toronto

emphasizes quality in all respects, including quality of students, faculty, staff and curricula;

pursues balanced excellence -- outstanding research and contribution to professional practice by faculty members together with outstanding professional programs including excellent teaching, relevant courses, innovative curricula and a superb learning experience;

serves as the market leader in Canada among customers who want the best --the finest students, the most distinguished faculty, cutting-edge management education programs and preferential access to the job market;

brings students, faculty, and staff together in modern, state-of-the-art physical facilities;

undertakes rigorous faculty recruitment searches to attract the best faculty and emphasizes the need to retain the best faculty;

fosters interdisciplinary studies of management and facilitates scholarly exchange between the [School] and other Faculties, Departments and Centres in the University;

emphasizes an international perspective and has a reputation for providing international business education of the highest standard.

### **1.6 The Rotman Donation**

A donation from Sandra and Joseph Rotman of \$15 million dollars was made to the University of Toronto on December 20, 1996 as a first step in achieving the vision of the Rotman School of Management. In recognition of the Rotmans' support, the Faculty of Management was renamed the Joseph L. Rotman School of Management. Rotman is an alumnus of the MCom program (1960), a former part-time lecturer in the School (1964-66,) a prominent Toronto businessman and patron of the arts, and a member of the Dean's Advisory Council.

The donation is to be matched by the University to create a \$30 million endowment fund in support of the Rotman School of Management. The primary goal of this fund is to attract and retain in the Rotman School professors of the highest international calibre by creating up to six endowed chairs, the actual number depending on the cost of filling each chair. The funds are also to be used to support programs and initiatives in entrepreneurship, globalization and technology, as well as graduate student fellowships and interdisciplinary projects. The extent to which the Rotman School is achieving its vision will be reviewed after a period of time by a panel of highly distinguished and respected academic experts of international stature in business education. If the Rotman School is deemed not to be making satisfactory progress, steps will be recommended to put it on track. If the Rotman School fails to make the necessary adjustments, the endowment funds may be re-directed to other parts of the University of Toronto.

### **1.7 Housing the Rotman School of Management**

Since 1950 the School has occupied a series of temporary homes on the campus: the old McMaster building (273 Bloor St. W., now the Royal Conservatory of Music), 33 St. George St. (then known as Baldwin House), the old Zoology Building (briefly), 117-119 St. George St. (now Woodsworth College), the former Texaco Canada building (246 Bloor St. W.)<sup>4</sup> Dean Wolff gave priority to finding a permanent home that was designed for the type of teaching that a school of management undertakes. He and Dean Arnold succeeded in this effort, in large part as a result of a \$3 million donation from Joseph and Sandra Rotman. In October 1995 the School moved into the Joseph L. Rotman Centre for Management at 105 St. George Street, designed by Eberhard H. Zeidler.

The Centre contains nine classrooms, each of which has a state-of -the-art audiovisual system, two computer labs, two lounge areas, and office accommodation for doctoral students. There is a self-contained Executive Development Centre which has its own classrooms and lounge and a Business Information Centre. Major contributions from the Province of Ontario, The Document Company - Xerox Canada, the Canadian Imperial Bank of Commerce, and the City of Toronto contributed significantly to the provision of these facilities. Professor James D. Fleck and the Reverend Margaret E. Fleck made a donation which made possible the three-story Fleck Atrium

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<sup>4</sup> At the time of the dissolution of the Department of Political Economy there was a proposal for a building on the present site of the Rotman Centre to house the Department of Economics, the Institute for Policy Analysis, and the Faculty of Management and to be named Ashley Hall in honour of William and Alan Ashley. Nothing came of the proposal.

which provides the main lounge area for students and which adds to the beauty of the Centre. Prof. Sandford Borins' mother, Beverley Borins, donated 24 Inuit sculptures which add markedly to the decor of the third floor of the building. Prof. Suresh Sethi donated several outstanding photographs from his collection of photos from his travels around the world to help decorate the second floor.

### **1.8 Building an Academic Staff**

Vincent Bladen staffed the newly created Institute of Business Administration by utilizing the staff of the former Institute of Industrial Relations (John Sawatsky, Woodburn Thomson, and Farrell Toombs) and bringing in T.C. Graham from industry to teach Production; Stuart Hennessey (Accounting), A. W. Currie (Finance) and S.G. Murray (Marketing) from the Department of Political Economy; E.M. Ballon (Marketing) and K. C. Livingstone (Production). Bladen taught Economics and other staff filled out the program on a part-time basis. Subsequently, Stefan Stykolt came from the Department of Political Economy to teach Economics. Bladen and Stykolt returned to the Department of Political Economy in 1953 and Graham became Director. Warren Main came from the University of Saskatchewan in 1953 to teach Economics and Business Policy. Ballon and Murray left; G.A. Edwards and D.D. Monieson came to teach Marketing. Currie (1956) and Hennessey (1958) returned to the Political Economy Department. In 1956, Barry Coutts came from the Accountancy profession and James Poapst came from Central Mortgage and Housing and the Royal Commission on Canada's Economic Prospects to teach Finance. The following year W.A. Beckett joined the staff from the federal Department of Trade and Commerce to teach Statistics and Economics. Livingstone left and John Sarjeant was brought in from industry to teach Production. Melvin Moyer and Richard Vosburgh were recruited directly from doctoral programs in 1959 to teach Marketing, replacing Edwards and Monieson. Ralph Presgrave was recruited from industry to lecture on Administration. In 1960 Beckett left and John Sawyer came from the Dominion Bureau of Statistics to teach Statistics and Economics. The Institute became the School of Business and Warren Main took over as Director.

Three factors changed markedly the recruitment policy and research interests of the academic staff during the 1960s: (i) In the 1950s the Institute's MCom program had been directed primarily at part-time evening students. Enrolment in the full-time MBA program grew from 40 students in 1960 to 230 in 1970, while enrolment of part-time students grew from 131 to 296. (ii) A Centre for Industrial Relations was created in the School of Graduate Studies<sup>5</sup>. (iii) A PhD program was inaugurated.

These changes led to a marked increase in full-time staff, a more academic orientation, and an emphasis on research activities. The School recruited staff from two different sources: (i) persons with established academic credentials at other universities, (ii) younger persons recruited directly from doctoral programs. The PhD program was instituted in the School in 1968 in order to attract research-orientated faculty to the School and to produce faculty to staff Canadian schools of business. Several faculty members left because they did not wish to be involved in the doctoral program and the three faculty members who had come from the Institute of Industrial Relations ceased to be full-time members of the School by the end of the 1960s.

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<sup>5</sup> John Crispo, who had joined the School in 1961 to teach Industrial Relations, was appointed its Director.

By 1971, the end of Warren Main's tenure as Director, the full-time academic staff had increased from 12 in 1960 to 27. Senior staff who had joined the School by that time included Myron Gordon, Basil Kalymon, Sydney (Steve) Maxwell, David Quirin, Allan Paull, David Shanno, and Douglas Tigert, while those recruited from doctoral programs included John Crispo, Jerry Dermer, Jim Dooley, Martin Evans, Dan Greeno, Morley Gunderson, Paul Halpem, Frank Mathewson, R.F. Morrison, Dan Ondrack, Jack Siegel, Montrose Sommers, Earl Vitalis, William Waters, and Roger Wolff. The recruitment from doctoral programs was mainly from American universities, although the majority of the new staff were Canadians who had gone abroad for graduate work.

By 1980, during the deanships of John Crispo and Max Clarkson the full-time academic staff had increased to 33. The staff now included Robert House in the Shell professorship, which had been established in 1972, Hugh Arnold, Laurence Booth, George Day, Joseph D'Cruz, Len Fertuck, George Haines, Harvey Kolodny, Brenda Mallouk, Uli Menzefricke, Ted Mitchell, and Suresh Sethi.

In the 1980s the significant factors that affected staffing in the Faculty were (i) the expansion of the Faculty's mission in 1983 to include an Executive MBA, (ii) the adoption of responsibility for teaching Commerce courses and the transfer of academic staff from the Faculty of Arts and Science to the Faculty of Management in 1982, (iii) the agreement of the newly created Department of Economics (as part of the Commerce merger arrangement) to teach all the Economics courses in the Faculty<sup>6</sup>, and (iv) the creation of more externally financed professorships. The increased emphasis on executive programs (both the Executive MBA and the non-degree Executive Development Programs) implied the necessity to have some staff that could communicate to and interact with mid-career executives as well as teach MBA students who were continuing their education directly from an undergraduate program. The creation of externally financed professorships such as the Shell, Magna, Ellison, and Secretary of State professorships enabled the Faculty to recruit outstanding academics from other universities or to provide conditions which enabled it to keep outstanding members of its current staff.

Commerce staff who moved from the Department of Political Economy to the Faculty of Management after the dissolution of the Department in 1982 included Joel Amernic, Donald Brean, Leonard Brooks, Murray Bryant, Carol Dilworth, Taylor Gilbert, George Leonidas, Donna Losell, Wally Smieliauskas, Everett Smyth, and Daniel Thomson. Five of the Commerce staff elected to have their tenure transferred to the Department of Economics although they continued to teach in the Commerce programs: Varouj Aivazian, Michael Berkowitz, Brian Galvin, Stuart Tumbull, and Ralph Winter. In the opposite direction, Morley Gunderson and Frank Mathewson elected to have their tenure transferred to the Department of Economics.

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<sup>6</sup> The course 2123 "Forecasting Models and Econometric Methods" was renumbered as 2803 and moved from the Business Economics area to the Management Science and Statistics area so that the teaching of it would remain a responsibility of the Faculty of Management.

By 1992 the decanal efforts of Douglas Tigert and Roger Wolff together with the impact of the responsibility for teaching Commerce course had increased the size of the full-time academic staff to 50. By 1990 the Department of Economics had agreed that staff of the Rotman School would in the future teach the School's Economics courses and Jack Mintz and Peter Pauly accepted tenured positions in the School and Thomas Wilson was cross-appointed. Some of the other academic staff who came in the 1980-92 period were Carl Heigie, Ida Herger, Oded Berman, Joan Conrod, Ruth Corbin, Michael Deck, Wendy Dobson, Ramy Elitzur, James Fleck, Hugh Gunz, John Hull, A.W. Isenman, Michael Jalland, Joan Kitunen, Dimitry Krass, Gary Latham, William McCandless, Andrew Mitchell, Connie Reed, Rebecca Reuber, Wendy Rotenberg, Alan Rugman, Manfred Schneider, Douglas Snetsinger, Anil Verma, Anthony Wensley, Alan White, Glen Whyte, Irene Wiecek, and Jia Lin Xie.

During the early 1980s the School placed three female staff in tenure-stream positions, two of whom did not have English as their first language. Unfortunately because of language problems and failure to adjust to the requirements of university teaching, none of the three received tenure. In the early 1990s, however, Becky Reuber and Wendy Rotenberg were promoted into tenured positions and in 1997, they were joined by Jia Lin Xie.

By the mid-1990s the full-time academic staff numbered almost 60 and new staff include Joel Baum, Sandford Borins, Fred Feinberg, Scott Hawkins, Raymond Kan, Sharmistha Law, Yue Li, Alexandra MacKay, Tom McCurdy, Ambar Rao, Timothy Rowley, John Rumsey, Catherine Seguin, Brian Silverman, Andrew Stark, and Carolyn Yoon. The School also has a number of teaching staff who hold Adjunct appointments. These include Derek Brown, Ruth Corbin, Ron Dembo, John Grant, Norman Halpem, Kenneth Keng, Eric Kirzner, Joseph Martin, and Eleanor Westney. Some cross-appointments from other divisions of the University have been made. Joining the staff for the 1998-99 academic year are Kimberly Bates, Ann Chan, Kristina Dahlin, Tarun Dewan, Susan McCracken, and Jason Wei.

The prospects for the staffing of the School have been greatly enhanced by the Joseph L. Rotman \$15 million donation and the matching contribution of the University of Toronto to create new endowed chairs to attract internationally recognized scholars to the School. The University and the Rotman School jointly launched in 1997 a campaign to raise externally another \$25 million, of which \$16 million was for endowed faculty renewal chairs. The University matches gifts of \$1 million to academic chairs to establish a lifelong \$2 million endowment. The other \$9 million to be raised in the campaign is intended for endowed student awards, centre funding, and other projects. The first appointment to a Rotman Chair has been made, effective July 1, 1998. Sridhar Moorthy from the University of Rochester was appointed to the Rotman Chair in Marketing.

### **1.9 Governance of the Rotman School**

Governance is the conduct of policy, actions, and affairs of an organization, constitutionally. The University of Toronto Act 1971 empowers the Governing Council of the University to govern

the University<sup>7</sup>. Governance of the Rotman School of Management is through the Council of the Rotman School of Management which exercises its powers and duties under the Act and whose powers and duties are subject to the approval of the Governing Council, where the Act so requires. The Council makes rules and regulations for governing its proceedings and embodies these rules and regulations in the Constitution and By-laws of the Rotman School of Management (originally adopted in 1977 and approved by the Governing Council; latest amendment October 10, 1997). The Council, subject to the provisions of the University of Toronto Act 1971 and to the approval of the Governing Council, make rules and regulations for the government, direction and management of the Rotman School of Management.

Subject to the approval of the Council of the School of Graduate Studies and the Governing Council, the Council of the Rotman School of Management fixes and determines the courses of study in the Master's and PhD programs in Management. Subject to the approval of the Council of the Faculty of Arts and Science and the Governing Council, it fixes and determines the Commerce (MGT) courses of study in the Commerce and Finance Programs. The Council of the Rotman School of Management also appoints examiners for and conducts the examinations of the Master's and PhD programs in Management and of the MGT courses in the Commerce and Finance Programs.

The membership of the Council consists of the Dean and the Associate and Assistant Deans of the School, the Chief Librarian of the School's Business Information Centre, the Management Representative from the University of Toronto at Mississauga, staff of professorial rank who hold continuing teaching appointments in the School, all full-time lecturers and tutors in the School, staff of professorial rank at the University of Toronto at Scarborough who teach at least one course in the School or who have an administrative appointment in the School, two student representatives from the Graduate Business Council (including at least one part-time student), one student representative from the Commerce and Finance Programs, one representative of the School's PhD program, one alumnus/alumna chosen by the School's Alumni Association, one alumnus/alumna of the Commerce and Finance programs, up to nine members of professorial rank from other faculties, the President and the Provost and the Dean of the School of Graduate Studies of the University (or designated representatives), and up to three members of Dean's Advisory Council of the School. A Speaker presides over all meetings of the Council. A quorum consists of one third of the members of Council.

The standing committees of Council are: Executive Committee, Master's Programs Committee, Master's Programs Admissions and Standards Committee, PhD Program Committee, Centres and Research Committee, Learning Resources Committee, and Undergraduate Programs Committee.

The By-laws provide that the academic structure shall consist of academic units known as

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<sup>7</sup> Prior to 1971 the University was governed by a Board of Governors appointed by the provincial government which was responsible for budgetary and nonacademic matters and a Senate composed of deans, directors, and other members of the academic staff which was responsible for academic affairs. This bicameral arrangement was abolished in favour of a unicameral body partly as a result of agitation for student participation in university governance and partly as a result of a desire by the academic staff to have a say in budgetary matters.

Areas. The present Areas are: Accounting, Business Economics, Finance, Marketing, Operations Management and Statistics, Organizational Behaviour, Human Resources Management, and Strategic Management. The duties of the area co-ordinators include recommending program and curriculum changes on behalf of the area; recommending to the Dean appointments based on area search committees' recommendations; recommending staffing for courses in the area, after consultation with the members; providing input on area tenure and promotion reviews; arranging co-ordination of course material in courses which have two or more sections; and appointing the PhD Advisor for the area (if applicable).

### **1. 10 Administration of the Rotman School of Management**

To administer is to manage an organization as a steward. The Dean of the Rotman School of Management is appointed by the Governing Council on the recommendation of a search committee. The Dean is the chief budgetary officer of the Rotman School and is responsible for all budgetary matters. He also makes all staff appointments (subject to the approval of the appropriate University authorities) and recommends salary increases. To ensure that the Dean consults with academic staff on matters where decisions are the Dean's personal responsibility --as opposed to those matters which are in the domain of the Rotman School Council and for which Council approval must be obtained -- a Dean's Committee has been created. The Dean discusses with this committee conflict-of-interest situations, course assignments, and similar matters for which the Dean is personally responsible.

The Rotman School of Management does not have a departmental structure; hence, the Dean performs the functions of both a faculty dean and a departmental chairman. The Dean is assisted in the administration of the School by Associate Deans, Assistant Deans, and Program Directors.

### **1.11 School of Graduate Studies**

The School of Graduate Studies of the University of Toronto is responsible for all graduate studies in the University and for developing and implementing appropriate regulations and operating procedures for admissions, programs of study, and completion of degree requirements. It is governed by a Council and is organized into four divisions: Humanities, Social Sciences, Physical Sciences, and Life Sciences. All departments in the University which offer graduate degree programs belong to one of the divisions and each graduate student is enrolled in one of the graduate departments. A number of research institutes and centres are also units of the School of Graduate Studies. The School is administered by a Dean and each division by an Associate Dean. The Associate Deans chair the Executive Committee of their division. Among other duties, the Associate Deans make the decisions on the awarding of University of Toronto fellowships to graduate students within their division. The four divisions share an Admissions and Programs Committee which is responsible for the approval of admissions and student programs, and for special cases.

Responsibility for directing all elements of graduate teaching and supervision rests with members of the academic staff who are appointed to the graduate faculty by the School of Graduate Studies. There are three categories of graduate faculty membership: full member, associate member,

and member emeritus. The appointment to full membership is usually made when a member of the academic staff receives tenure provided that he/she has an established research record. Normally only full members may act as major supervisor of a doctoral thesis and chair the final oral examination, although members emeriti may also perform these duties in special circumstances. Associate members may teach graduate courses but may only assist in the supervision of doctoral theses.

The Rotman School belongs to the Social Science Division and the Dean of the Rotman School is Chair of the Graduate Department of Management-in the School of Graduate Studies and a member of the Executive Committee of the division.<sup>8</sup>

### **1.12 Conflicts of Interest**

In early 1995 the University finalized a conflict-of-interest policy for each of its various employee groups. For academic staff these new rules replaced an earlier version known as the 'Crispo Rules' which came out of a committee chaired by John Crispo some twenty years ago. The conflict-of-interest policy puts the onus on the individual employee to be in compliance with the policy and to seek the appropriate approvals at the earliest stage when they are in a conflict-of-interest situation. The 'Policy on Conflict of Interest: Academic Staff states:

The freedom that faculty members properly enjoy to engage in [professional activities from which they may derive supplementary income] and to earn supplementary income means that, on occasion, their personal interests might seem to conflict with those of the University. All faculty members have an obligation to report and discuss with the person to whom they report all real or apparent significant conflicts of interest.

The document sets out what constitutes a conflict of interest and the procedures to be followed when there is an apparent conflict of interest.

### **1.13 Relations with the Business Community**

Graduate education in management in the 1950s and 1960s did not receive strong support from the President of the University and did not have a strong image in the business community. In an attempt to improve this, the 1971 search committee for a new Dean looked for someone who had demonstrated a good relationship with the business community and was familiar with executive development programs. The recommendation of the search committee for a Dean (Walter Fackler, Associate Dean for Executive Programs of the Graduate School of Business of the University of

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<sup>8</sup> When the School of Graduate Studies was reorganized in 1965 there was a debate as to whether there should be a fifth division for professional departments. The decision was made to place them in the respective subject matter division so that they would be in contact, through the committees of the School of Graduate Studies, with the basic disciplines relevant to their field. Hence, the graduate departments of library science, social work, educational theory, and management were all placed in the Social Science Division and all four of these departments ultimately developed PhD programs. Another aspect of this grouping was that graduate students in these professional departments became equally eligible for University of Toronto fellowships within their divisions. Two members of the Rotman School have served terms as Associate Dean of the Social Science Division: Hugh Arnold and John Sawyer.

Chicago) was, however, rejected by the President of the University because the nominee was not a Canadian and did not have an outstanding research record.

As a start in improving relations with the business community, Dean Crispo created in 1972 an Advisory Council of leading businessmen. Unfortunately, the Council was too large and too diverse. It failed to function effectively and was allowed to disappear. Relations with the business community slowly improved in the 1980s when Dean Tigert began a Corporate Sponsors Program, which provided funds for summer research grants to junior academic staff in the tenure stream. In return, the Faculty of Management put on annually a one-day program for alumni to bring them up to date on topics of current interest. In 1985 the Dean Wolff created a Dean's Advisory Council: a small group of interested persons from the business community who met regularly with the Dean to advise on the business community perception of the role of the Faculty of Management. The work of the Advisory Council received the strong support of University Presidents, George Connell and Robert Prichard.

Through a "partnership" with the Industrial Research Assistance Program (IRAP) of the National Research Council of Canada, the Rotman School offers management consulting help to small and medium sized enterprises who are clients and recipients of IRAP's technological assistance. Most of the School's assistance is in the areas of business planning, marketing and strategic planning, financial analysis and financial control systems.

#### **1.14 The Business Information Centre**

When the School of Business moved to 33 St. George St in 1961 it established its own library and reading room as a branch of the University Library. The objective was to develop a collection of business materials to assist students and faculty in their teaching and research activities. Ultimately for financial reasons in the late 1970s the Library ceased to be a branch of the University Library. Until 1990 the emphasis was on the building of a strong print collection consisting of textbooks, academic journals, and core Canadian business materials.

In order to increase its level of funding and to increase the profile of the School in the business community, the Library was reorganized in 1990 to become the Business Information Centre (BIC). A unique business partnership with Royal Trust, Canada's largest trust company, was created when Royal Trust chose the BIC as its sole provider of research and information services. The model was successful and Imperial Oil followed suit in 1992 and became BIC's second outsourcing client. At the same time BIC developed its corporate client program and began to offer fee-based information services to professional associations, foundations, and small to medium-size companies.

BIC is unique among academic libraries in the size and income level of the information services it provides to the business community. Its success in fee-based services has allowed it to enhance both its print and electronic collections. Its major emphasis remains on meeting the needs of students and faculty. The future will see continued growth in its fee-based clientele and a greater array of services and training programs being offered to Rotman School of Management students and academic staff.

## **2. UNDERGRADUATE COMMERCE PROGRAMS IN THE FACULTY OF ARTS AND SCIENCE, ST. GEORGE CAMPUS, 1901-1982**

### **2.1 Origins of the Undergraduate Commerce Programs<sup>9</sup>**

The Bachelor of Commerce degree at the University of Toronto has its roots in the appointment in 1888 of William Ashley, an Englishman from Oxford University, as the first Professor of Political Economy and Constitutional History in the Faculty of Arts of the University of Toronto. Ashley left Toronto in 1892, spent a few years at Harvard University, and then went back to England to the new University of Birmingham where he founded the School of Commerce and began the program leading to the first Bachelor of Commerce degree - the forerunner of many BCom degree programs throughout the British Empire. Eighteenth-century economists had divided the English economy into three sectors: agriculture, manufacturing, and commerce. Commerce included the transportation, marketing, and financing of goods. The Birmingham program included economic geography, economic history, general economics, modern languages, and accountancy. This education was designed to produce cultured men who would become leaders in the world of commerce.

The Wharton School of Finance and Commerce at the University of Pennsylvania was founded in 1881 as an undergraduate school and a number of American universities formed business schools around the turn of the century. The University of Toronto chose, however, to follow the Birmingham model rather than the American model. Ashley's successor at the University of Toronto, James Mavor, a Scot from Glasgow University, followed Ashley's lead in a modest way, in response to requests from the Canadian Manufacturers' Association and the Toronto Board of Trade, by having the Department of Political Economy offer from 1901-1911 a two-year diploma course in Commerce. Students studied English and any two modern languages, mathematics applied to commerce, inorganic chemistry and physics, drawing (optional), commercial law, transportation, economic theory, industrial history, banking, and public finance<sup>10</sup>. The course was not popular, having an enrolment of only 2-3 students a year.

In 1909 the Department began to offer a four-year Honour Course in Commerce and Finance leading to the degree of Bachelor of Arts. Over the period 1913-26, there were 82 graduates from this program. The Commerce and Finance program followed the Birmingham model: it contained considerable economics, economic history, accountancy, financial subjects including corporation finance and actuarial science, some economic geography and commercial law, and a foreign language requirement. In 1921 a course in business administration was added and in 1922 an element of

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<sup>9</sup> This summary of the early history of the Commerce programs is taken mainly from Drummond (1983). The reader may find it interesting to compare the origins of the University of Toronto Commerce programs with those of Queen's University as described in Jones and McLean (1995) and Skelton (1920).

<sup>10</sup> S.M. Wickett (1902) outlined the program; quoted by Moreland (1977, p.152).

commerce course added. A businessmen's committee was created to advise on the Commerce programs, help place graduates, and propose speakers for the course in business administration.

In 1920 the first students were admitted to a very similar program leading to the Bachelor of Commerce degree. The program remained in the Department of Political Economy and was not placed in a separate School of Commerce as was done in Birmingham. In 1931 a proposal was made by the head of the Department of Political Economy to the University President to create a Faculty of Economics separate from the Faculty of Arts. Presumably there would have been a separate Department of Commerce within the Faculty of Economics. The proposal was not acted upon.

## 2.2 The Bachelor of Commerce Program in a Liberal Arts Environment

Vincent Bladen (1957, p. 483), the first director of what is now the Rotman School of Management, expressed, when he was Dean of the Faculty of Arts and Science, the belief that

In these days of pressure for education *in* business administration, it is well to consider whether the university in performing its ancient function of liberal education may not in fact provide a better education *for* business than can be provided by ...courses in Business Administration. ...I am, of course, presenting a justification of the policy of the University of Toronto in maintaining the liberal arts character of its Commerce course and in developing a professional course in Business Administration in the Graduate School. ...The object of university work in industrial relations, for example, is to turn out men 'suitable to become' rather than 'made' industrial relations officers.

What is meant by *liberal arts* and how did they originally fit into the role of the university? Has the University of Toronto been successful in maintaining the BCom program as a liberal arts program?

The first of the medieval universities, the University of Bologna founded in 1088, evolved from a law school begun in 890. The University became in the 12th and 13th centuries the principal European centre for civil and canon law. Around 1200, faculties of medicine and philosophy were added. The second great medieval university, the University of Paris founded about 1150; originally had three "superior" faculties: theology, canon, law and medicine, and one "inferior" faculty, arts. In the faculty of arts the trivium of grammar, logic, and rhetoric and the quadrivium of arithmetic, geometry, music, and astronomy were taught. These seven sciences comprised the liberal arts<sup>11</sup>. They were intended to serve as a preparation for more advanced studies or for later life. The University of Oxford, founded in 1167, was modelled on the University of Paris, with initial faculties of theology, law, medicine, and the liberal arts<sup>12</sup>.

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<sup>11</sup> The notion of the seven liberal arts appears to have originated with Martianus Minneus Felix Capella, about 400 AD, at Carthage. In Capella's writing, Mercury gives his bride seven maidens, each one representing one of the seven liberal arts.

<sup>12</sup> The *Encyclopedia Britannica* gives historical notes on these medieval universities.

It is noteworthy in the context of a study of modern schools of management that the early medieval universities were designed primarily to train people for the professions. A non-ecclesiastical civil service, staffed by university graduates, began to emerge. Claude Bissell (1968, p.84), President of the University of Toronto, observed:

...grammar and rhetoric were the prologue to law ...and dialectics was the prologue to theology ...or to medicine To the three basic professions -law, medicine, and the church -the twentieth century has added a host of others, fruits of the demand for specialization, of the rise of the social sciences and the flourishing of the natural sciences, and of the steady expansion of the state. Even the business man, traditionally a rough diamond and proud of it, has capitulated to professionalism.

To the three original professional faculties, a fourth, the faculty of business or management, has been added, along with several other professional faculties.

The Renaissance of the 1400s revived the interest in Greek and Roman philosophy, however, and the liberal-arts curriculum gradually became the central focus of the universities. Bissell (1968, pp. 81 and 82) stated that, unlike the early medieval universities, the foundation of the University of Toronto was liberal-arts studies and these were 'firmly founded on a series of carefully constructed honours courses, where intensive work in one or two subjects was thought of as the best way of giving minds depth and flexibility'.

How does the University of Toronto's BCom program fit into the University of Toronto's liberal arts scheme? Alfred North Whitehead (1947, p. 101) expressed the general philosophy thusly:

The universities have trained the intellectual pioneers of our civilization -the priests, the lawyers, the statesmen, the doctors, the men of science, and the men of letters. ...The conduct of business now requires intellectual imagination of the same type as that which in former times has mainly passed into those other occupations; ...The way in which a university should function in the preparation for an intellectual career, such as modern business or one of the older professions, is by promoting the imaginative consideration of the various *general principles* underlying that career.

Alan Ashley (1937), Supervisor of Studies in Commerce, expressed similar thoughts in 1937:

The object ...is ...to train men in the use of faculties, to give them a sound knowledge of economic theory in the widest sense, and to turn out graduates who can expect to apply themselves with success to the task of learning a business quickly, of becoming good citizens, and of living a full life.

In defence of this concept of the Commerce programs, Ashley (1973) presented some information on the careers of some of the Toronto Bachelors of Commerce:

I bring to mind a number of graduates from C&F. A Roman Catholic priest, an Anglican Priest, and a United Church Minister; the President of Abitibi Paper; two Ambassadors, a High Commissioner, and half a dozen others in the foreign service; the President of Imperial Oil; a Deputy Governor of the Bank of Canada; the Deputy General Manager of the Hudson's Bay Company; two Vice Presidents of Bell Telephone; one Federal and two Provincial Deputy Ministers; a President of the Institute of Chartered Accountants; ten Professors of Economics; and three School Teachers; several Actuaries and other high officers of Insurance Companies; the General Manager of the TTC; the Dean of the Faculty of Law; a Professor of Obstetrics; the General Manager of the Royal York Hotel; many Investment Dealers ...They would be surprised to learn that they were all the product of one professional course.

An alternative approach to giving students both a liberal arts education and a business education is the one adopted by universities such as Harvard and Chicago which offer only graduate education in business. Students are presumed to have obtained a liberal arts education in their undergraduate program.<sup>13</sup>

## **2.2 Staffing the Commerce Courses in the Early Years**

Until the 1960s, with the exception of Law, all instructors in Commerce were either in the Department of Political Economy or in the Department of Mathematics. The first Instructor in Accounting, J.M. Langstaff was appointed in 1909 in the Mathematics Department. In 1919 W.S. Ferguson was appointed as Lecturer in Accounting in the Department of Mathematics. In 1926 the Accounting courses and staff were moved to the Department of Political Economy. In 1929 Frank Crocombe was appointed to the Accounting staff. Interest & Bond Values and Actuarial Science were taught by M.A. Mackenzie in the Mathematics Department.

A significant appointment to the Commerce staff was made in 1911 when Gilbert Jackson (a Cambridge graduate) was appointed. He became Supervisor of Studies for Commerce in 1922 and held the position until he left the University in 1935 to join the staff of the Bank of England. C. Alan Ashley (a Birmingham graduate, not related to William) joined the staff in 1930 to teach Industry & Trade, Auditing, and Corporation Finance. He succeeded Jackson as Supervisor of Studies in 1934, a position he held into the 1950s. In many respects Gilbert Jackson and Alan Ashley were the shapers of the Commerce programs.

The BCom program drew on Economists in the Department of Political Economy for courses such as Transportation, Labour Economics, and Managerial Economics which might be regarded as Commerce courses although labelled as Economics. The staff in Accounting was built up. Appointments in Accounting in the 1940s included F.N. Beard, Frank Buck, Stuart Hennessey, and J. Everett Smyth (a Toronto MCom). Smyth went to Queen's for a number of years and returned to Toronto in 1963 and later became Supervisor of Commerce Studies, a position later raised to the status of Associate Chairman of the Department of Political Economy. Other additions to the Accounting staff in the 1960s included W.C. Hebdon, Brian Galvin, and Taylor Gilbert, who was Associate Chairman for Commerce from 1976 to 1979. Courses in Administrative Sciences and Marketing were introduced and from the 1960s onward these subjects were taught mainly by the Faculty of Management. In 1977 George Leonidas was recruited into the Department of Political Economy (from industry via the Faculty of Management) to teach Marketing. He became Associate Chairman for Commerce in 1979.

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<sup>13</sup> Teele and Chapman (1957) explain the Harvard approach.

The composition of students and staff in the Commerce and Finance program changed markedly after 1971 when the Institute of Chartered Accountants of Ontario changed the requirements for certification as a Chartered Accountant to include a university degree roughly equivalent to a Bachelor of Commerce. Enrolment in the University of Toronto BCom program increased markedly and a number of accounting courses were added. Currently about half of the students enrolled in the program do so in order to meet the CA requirements. Most of the increased staff that was required to mount this expansion of the accounting offerings are either part-time instructors from the accountancy profession or full-time staff who had not gone through a research-orientated graduate program and did not qualify for the tenure stream. Funding to meet this increased demand by hiring full-time staff who were graduates of doctoral programs was not made available to the Commerce programs by the University, despite the fact that the BCom program was the generator of a large cash flow to the University, given the relatively high weight given to it by the Province on Ontario through the assignment of larger basic income units (Bills) to it. The Bills determined, in conjunction with the volume of enrolment, the amount of provincial funds provided to the University. The nature of these responses to the demands of the accountancy profession has had a significant consequence. Unlike the other areas within the Rotman School which offer PhD programs, the Accounting area has emphasized teaching and professional programs. Research activities have been given a lower priority.

#### **2.4 Housing the Commerce Programs**

For much of its early history the Department of Political Economy was located in various locations on St. George St., before moving to 33 St. George St. (then called Baldwin House). In 1933 it moved to the former McMaster University building at 267 Bloor St. W. (now the Royal Conservatory of Music) where it remained until it moved to Sidney Smith Hall, 100 St. George St., in 1961. The Commerce Programs office remained there until 1995 when it was moved to the Joseph L. Rotman Centre for Management, 105 St. George St. Commerce students now share classroom, lounge, and library facilities in the Rotman Centre with MBA students and have their own computing facility.

### **3. COMMERCE AS JOINT PROGRAMS OF THE FACULTY OF ARTS AND SCIENCE AND THE ROTMAN SCHOOL OF MANAGEMENT, 1982-**

#### **3.1 Administration and Allocation of Resources in the Commerce Programs**

In 1982 the Department of Political Economy was dissolved and Departments of Economics and of Political Science were created. The Faculty of Management accepted the responsibility for staffing and teaching all courses in the Commerce and Finance Programs that did not fall within the realms of Arts and Science Departments. Since the Bachelor of Commerce program is a joint program in Commerce and Economics, an administrative structure had to be designed which gave both disciplines a say in the overall structure of the program.

There have been a number of reports on the administrative structure of the Commerce programs and the allocation of resources for the teaching of Commerce courses. The first was the 'Report of the FMS/C&F Task Force' (April 19, 1982).

A summary of the principal recommendations of the Task Force follows:

The degrees of Bachelor of Commerce and the Bachelor of Arts or Science (major program) will continue to be awarded by the Faculty of Arts and Science. The programs will be offered jointly by the Faculty of Arts and Science and the Faculty of Management. The students of the programs will remain students in Arts and Science enrolled in colleges.

The Commerce programs will be managed by a core group consisting of the Chairman of the Programs (to be appointed by the Dean of Arts and Science), the Undergraduate Secretary of Commerce, the Undergraduate Secretary of Economics, and the Erindale College Discipline Representative. A Commerce Programs Council will be created with responsibility for curriculum control and development.

The Faculty of Management will assume full responsibility for teaching Commerce courses on the St. George campus (with the exception of Public Administration and Managerial Economics). The Commerce teaching staff of the former Department of Political Economy on the St. George campus will become members of the Faculty of Management.

A single Accounting Division will form part of the Faculty of Management and a Centre for Accounting Studies is to be established within the Faculty of Management. A single Finance group will form part of the Faculty of Management. If any of the present Accounting or Finance staff wish to be appointed to the Department of Economics, they will teach in the Commerce programs on a cross-appointed basis. When these positions in the Department fall vacant, the Commerce portion of the full-time equivalent will be transferred to the Faculty of Management. All future hirings in Accounting, Finance, and other Commerce areas on the St. George campus will be done by the Faculty of Management.

The Commerce teaching staff at Erindale College will be cross-appointed to the Faculty of Management. All future hirings will be done by joint search committees. The nature of the relationship between the Faculty of Management and the Commerce group at Erindale shall be very similar to that now existing between parallel departments of the St. George campus and Erindale College.

The Faculty of Arts and Science will retain within its budget the funds presently used to pay Commerce academic staff and to pay markers and teaching assistants for Commerce courses. The funds will be transferred annually as a block payment from the Faculty of Arts and Science to the Faculty of Management when the Dean of Arts and Science and the Chairman of the Commerce program are satisfied that acceptable arrangements have been made by the Faculty of Management for staffing fall/winter day-time Commerce courses. Woodsworth College will retain within its budget funds for the fall/winter evening courses and the summer courses.

George Leonidas was appointed Acting Chairman of the Commerce Programs for 1982-83 and Joel Amernic was named Chairman of the Accounting Division within the Faculty of Management. The distinction between Accounting being an *area* in the Faculty or a *division* had important implications. A division convenes tenure and three-year review committees and the

Chairman is consulted by the Dean on PTR increases. For areas, the Dean would convene the committees and the area chairpersons would not be consulted on PTR increases. Although Accounting was established as a division in the Faculty in 1982, the Faculty Council voted in 1994 to abolish all divisions in the Faculty thereby changing the conditions under which Accounting was transferred from the Faculty of Arts and Science to the Faculty of Management.

The stipulation of the Task Force that the Faculty of Arts and Science should retain within its budget the funds for staffing the Commerce courses until a block transfer is made was abolished by joint agreement of the Deans of the two Faculties in the spring of 1983. Hence, the funds were transferred directly into the budget of the Faculty of Management, except for the budget of the Commerce Programs Office which was then located in Sidney Smith Hall.

John Sawyer was Chairman of the Commerce Programs, 1983-85, and wrote, in anticipation of a provostial review of the programs which did not take place, a lengthy report on the state of the BCom program: 'The Commerce Programmes in the Faculty of Arts and Science of the University of Toronto: A Report by the Chairman' (August 1984). The report was sent to the Dean of the Faculty of Arts and Science (Robin Armstrong), the Dean of the Faculty of Management (Douglas Tigert), and the Vice-Provost, Professional Faculties (Roger Wolff). The report emphasized the problem of the imbalance between the size of the BCom program on the St. George campus (300 a year admitted) and the resources available to it. Two possible solutions were suggested:

The first would be to increase the budget for the St. George campus Commerce programmes by roughly \$240,000 in order to convert from part-time to regular instructors and, where necessary, to upgrade the quality of regular staff. ...The alternative is to reduce the size of the B. Com. programme to be consistent with the available resources. ...To implement the second alternative, a reduction of the intake on the St. George campus from 300 to 150 students a year would seem to be appropriate. (p.11)

No action was taken to implement in total or in part either of the proposed solutions.

James Dooley was Acting Chairman in 1985-86 and David Quirin was Chairman 1986-1991. Sawyer (1983-86), Quirin (1986-91), and Donald Brean (1991-95) held the position of Associate Dean, Undergraduate, in the Faculty of Management to strengthen the presence of the Commerce Programs in the Faculty and to administer the teaching budget of the Commerce programs.

The long-awaited Provostial Review of the Commerce programs was announced in February 1988 and the Committee's report 'Provostial Review of the Commerce Programs: Report' appeared in April 1989. The report proposed that

the BCom will be a joint program offered by the Faculty of Management and the Faculty of Arts and Science on the St. George and Erindale campuses.

The BCom program must be provided with resources sufficient to ensure an excellent program of instruction; this will require a considerable increase over current funding.

The Commerce program will be headed by a Director who will be jointly appointed by the Dean of the Faculty of Arts and Science and the Dean of the Faculty of Management in consultation with Erindale and Woodsworth Colleges. The Director will have responsibility for the program on both campuses.

There will be an Assistant Director for the Erindale campus appointed by the principal of the College and two Associate Directors for the program, one appointed by the Dean of the Faculty of Management and one by the Dean of the Faculty of Arts and Science. The Executive of the Commerce program will consist of the four officers. A Commerce Program Committee will advise the Director.

An agreement in 1992 made the Commerce programs joint programs of the Faculty of Arts and Science and the Rotman School of Management with students to be jointly registered in both Faculties<sup>14</sup>. The Director of the Commerce Programs is responsible for coordinating program content and students affairs and is appointed by and reports to the Deans of the two Faculties. The regulations of the Faculty of Arts and Science are applicable for all matters relating to academic standards, while the Rotman School of Management is responsible for the staffing and teaching of all Commerce courses on the St. George and Mississauga campuses. Following the practice of designating a course according to the name of the department which offers it, the Commerce courses are now designated in the calendar as Management (MGT) courses,

The first Director under the new structure was Gregory Jump, 1991-95. Donald Brean and Joel Amernic were Acting Directors, and Wendy Rotenberg became Director in 1997.

### **3.2 The Current Commerce and Finance Programs**

The University of Toronto Bachelor of Commerce program is a joint program in Commerce and Economics. Despite some strong views to the contrary, it still tries to remain an arts program rather than a professional management program. Its objective is to give the student an analytical and institutional background, which enables him/her to assess the effect of changing market conditions on the plans of business firms or governments. The emphasis is on understanding the external environment within which the firm operates and the provision of information to decision makers through accounting systems and through economic, financial, and marketing analysis. Although courses in organizational behaviour and a few management courses are available in the upper years of the program, it is not intended to be a program in business administration or management. It is not designed to develop within-the-firm managerial skills nor to produce persons ready to assume general management responsibilities within a business firm. At the University of Toronto, management education is done in the MBA Program.

There are two programs in Commerce and Finance: (i) a 20-course Specialist Program in Commerce and Finance leading to the degree of Bachelor of Commerce, and (ii) the Major Program

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<sup>14</sup> Students in the Commerce Programs continue to be in one of the Arts and Science colleges: Erindale, Innis, New, St. Michael's, Trinity, University, Victoria, or Woodsworth.

in Commerce and Finance which may be taken as part of the requirements for the degree of Bachelor of Arts or Bachelor of Science. The latter may be either a three- or a four-year degree. Both programs are offered on the St. George campus and at Erindale College in the University of Toronto at Mississauga and both programs are available to part-time students through Woodsworth College<sup>15</sup>. Students may, while meeting the requirements for the degree of Bachelor of Commerce, obtain a Specialist certification in Economics if they follow a prescribed program. The four-year Major program in Commerce must be combined with a major or specialist program in another area selected by the student; for example, Political Science, Computer Science, International Relations, or a Language. In a three-year program, a student may complete the degree requirements with only one major.

Admission to the Commerce Programs normally occurs at the end of the student's first year at the University<sup>16</sup>. During the first year, students take prerequisite courses in Economics, Accounting, and Mathematics, and two other Arts and Science courses. Admission is based on students achieving specified minimum grades in the prerequisite courses and on the Cumulative Grade Point Average. Because of resource limitations, admission to the Commerce programs on the St. George campus is limited to a target intake of 300 students and to 150 at Erindale College. Enrolment in courses above the 100-level which are specific to the Commerce Programs, is restricted to students accepted into the Commerce Programs, except for a few 'special students' who must satisfy the course prerequisites.

The second year of the Program continues the study of disciplines basic to Commerce and Economics<sup>17</sup> -- Accounting, Mathematics, and Statistics -- and to other arts and science subjects. To fulfill a breadth requirement, students are expected to take a course from 'Literature Courses' and a course from 'Other Humanities', although an economic history course may be substituted for one of these. In total, at least four courses must be from outside the social sciences; mathematics,

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<sup>15</sup> Recently the University of Toronto at Scarborough began offering the Bachelor of Commerce degree. The Scarborough program is 'high-quality pre-professional management education within the context of a liberal arts education for students interested in managerial careers.' It is a distinct program from that on the St. George and Mississauga campuses and is administered separately. In 1998 the Specialist Program in Economics at Scarborough was eliminated to allow the Economics Department at Scarborough to focus on the integration of Management into the study of Economics in order to provide students with more marketable skills. Sanford Borins is the Chair of the Division of Management and Economics at Scarborough.

<sup>16</sup> Beginning in 1995, a limited number of students applying from secondary school may be guaranteed a place in the BCom program subject to successful completion of the first-year program. Students applying from Ontario Secondary Schools for admission to the University of Toronto who wish to enter one of the Commerce and Finance programs apply for admission to the Economics and Commerce Stream (Stream 1). To qualify students must have six Ontario Academic Course credits (OACs) including English, Calculus, Algebra & Geometry or Finite Mathematics.

<sup>17</sup> In eighteenth-century Britain the teaching of economics had its roots in the teaching of two professors of moral philosophy at the University of Glasgow: Francis Hutcheson and Adam Smith. They lectured on jurisprudence and from the analysis of contracts came the necessity to deal with money and prices. British economics had, at that time, close association with law and philosophy and the notion of *natural price* became an economics concept

statistics, and computer science courses may count as satisfying this requirement. In the third and fourth years, students may choose to concentrate on a Commerce subject (Accounting, Finance, Marketing, or Organizational Behaviour), undertake a more intensive study of Economics, or choose a generalist program combining various areas.

Graduates of the Bachelor of Commerce Program (depending on the course of study they elect to follow) are well prepared to do graduate studies in Accounting or Economics<sup>18</sup>; to undertake further study to qualify for entry into the Accounting or Law professions; or to take positions in business or in government. Few graduates of the Toronto BCom program enter MBA programs because their undergraduate studies prepare an alternative career path for them.

### **3. MASTER'S PROGRAMS**

#### **3.1 Master of Commerce, 1938-60**

##### **3.1.1 In the Faculty of Arts, 1938-50**

In the 1930s there was pressure from the business community to make the undergraduate Commerce and Finance program more 'practical'. The Department of Political Economy responded by creating a Master of Commerce program in 1938. The Master's program was a two-year program in which the first year was basically undergraduate education in the subjects that a student would have studied in an undergraduate Commerce program. Students with a BCom who had studied the relevant undergraduate subjects were exempted from the first year. The second year began as a program similar to an MA in Economics and gradually became an advanced program in Commerce subjects. Up to 1950, 62 MCom degrees were conferred.

##### **3.1.2 In the Institute of Business Administration, 1950-60**

When the Institute of Business Administration took over the MCom Program the program was transformed into a business administration program. In the first year students took courses in Economics of Enterprise, Accounting and Statistics, Corporation Finance, Production, Marketing, and Industrial Relations. In the second year all students took a required seminar on Administrative Problems and four courses from the following: Advanced Accounting, Auditing and Cost Accounting, Statistical Analysis, Business Finance, Advertising and Market Research, Production Management, Personnel Administration, Union-Management Relations, Human Relations in Industry, or suitable courses in Economics, Political Science, or Sociology. The University of Toronto program came

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<sup>18</sup> Until the 1960s the BCom program was in some respects a better preparation for graduate work in economics than was the Honours Economics and Political Science program. Students in the BCom program received a better grounding in mathematics, statistics, and accounting. During this period a number of Toronto BComs went on to leading American universities to do a PhD in economics or finance and then returned to the University of Toronto and became Professors of Economics or Finance. These included Jack Carr, John Crispo, Paul Halpern, Frank Mathewson, Noah Meltz, John Sawyer, Lawrence Smith, Leonard Waverman, and John Winder.

under criticism as duplicating the University of Western Ontario's MBA program which had been established in 1949. Bladen argued that there was room for more than one method of teaching business administration and, moreover, there was a large body of part-time students in Toronto which should be serviced.

In 1960 the degree was changed from Master of Commerce to Master of Business Administration.

### **3.2 Master of Business Administration<sup>19</sup>, 1960-**

#### **3.2.1 Full-time MBA**

In the 1950s the MCom program had been primarily a program for part-time students. During the 1960s the emphasis changed and full-time MBA students were attracted while the part-time program was reduced in 1965 to a Diploma in Business Administration program which was essentially the first year of the MBA program. Graduates of the Diploma program could, if their grades were high enough, proceed to the second year of the full-time MBA program. The Diploma program was phased out in 1985.

In 1960-61 first-year MBA students took six full-year courses: Economics of Enterprise, Accounting and Statistics, Business Finance, Production, Marketing, and Introduction to Administration. In the second year they did five full-year courses: one of Administrative Problems *or* Economics and Business Policy, one of Administrative Accounting *or* Financial Management, one of Personnel Administration *or* Union-Management Relations, one of Production Management *or* Marketing Management, and one of Statistical Analysis, Human Relations in the Industrial Community, Public Administration, or a course from another department of the University, plus a dissertation.

From 1965 until the late 1970s the first-year MBA students were divided into two streams. The first stream included those students who had a background in mathematics from their undergraduate studies -- mainly graduates of engineering or science programs. The second stream contained the other students. Students in the second stream were given in their first year an introduction to quantitative methods (mathematics, including some calculus) while the first stream took courses relevant to management science. In 1969 most courses were changed from full-year course to half-year courses to give more flexibility in the curriculum.

In 1970-71 students in the first year took 12 half-courses. All students took Economics of

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<sup>19</sup> For some discussions of MBA programs see Gordon and Howell (1959), Pierson (1959), and Sharma and Steier (1990). Pupo (1984) analyzes the development of management education curricula at McMaster, Queen's, University of Toronto, and University of Western Ontario. Other studies that have relevance to higher education in Ontario are Axelrod (1982), McKillop (1994), and Harris (1976).

Enterprise, Economic Environment of Business<sup>20</sup>, Accounting I and II, Business Finance, Production, Marketing, Administrative Behaviour, Administrative Theory. Students in the Management Science program took Mathematics for Management Science, Probability Theory, and Mathematical Statistics while students in the General program took Statistics for Business Decisions, Business Information Systems, and one of Introduction to Operations Analysis *or* Quantitative Methods. In the second year each student was required to take half-courses in Business Strategy and in Economics and Business Policy. The remaining equivalent of four full-year courses could be chosen from an expanded list of options which took advantage of the ability to create new half-courses.

Through the 1970s the MBA program continued to be a two-year program with the first year essentially a prerequisite year in which students received a grounding in the subjects that would normally be included in an undergraduate Commerce program. The second year was the true graduate program. In the 1980s this perception of the MBA program changed. The program changed from an extension of the BCom, a program to produce accountants and analysts of the economic environment in which business and government operate, to one that was designed more explicitly to produce managers. The two years of the MBA program were made compulsory and there are no exemptions given for undergraduate work. Most incoming students had some business experience and this was taken into account in the classroom. Cases began to play a much larger role in the instructional process in the 1980s.

The first-year curriculum of 1980-81 included two courses in Economics, two in Accounting, Business Finance, Marketing, Administrative Theory, Operations Management, two courses in Decision Systems, Managerial Skills Development, and the Management Game Workshop. The last two items were credit workshops. A Quantitative Methods Lab was offered for students requiring remedial instruction in quantitative skills. The second-year requirements were two courses in Business Strategy and eight courses from a large number of options, subject to the restriction that no more than four courses could be taken in any one area. There was no requirement that students take an area of concentration.

In the late 1970s and early 1980s there were a number of special programs within the MBA: Information Systems Management (which included courses in Technology of Information Systems, Management of Information Systems, Information Requirement Analysis, Planning and Control Systems, and Management Accounting), Natural Resources Management (which included courses in Economics of Natural Resources, Problems in Natural Resource Management, and Marketing and Distributing Natural Resources), and Transportation Management (which included a course in Production and Distribution Systems),

A major change in the first-year of the MBA program was made in 1989 when the class began to be taught in two sections, each section of students taking most of its courses together. Within courses students often work in small groups which may stay constant for several courses.

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<sup>20</sup> These two economics courses were courses in microeconomics and macroeconomics, respectively. To avoid confusion with courses taught in the Economics Department, they were, however, given distinctive names.

The core curriculum is now divided into three major components: The Context of General Management (Economics, Business Ethics, Management Skills Development), Functional Area Foundations (Accounting, Marketing, Finance, Statistics, Operations Management, Management Information Systems), Strategic Management (Strategy, Business Systems Management, Administrative Theory). In the first year, students are introduced to all three components. In the second year, students take a course in Advanced Concepts in Strategic Management and nine electives. Students may study abroad for one term.

A course within the first year is composed of one, two, or three five-week modules and the first-year curriculum consists of 30 five-week modules, 15 in each term. Statistics for Management, Fundamentals of Strategic Management, Administrative Theory, Business Finance, and Marketing each have three modules. Economics of Enterprise, Economic Environment of Business, Accounting 1, Accounting 2, Operations Management, Management Skills Development, and Management Information Systems each have two modules. Business Ethics has one.

### **3.2.2 Part-time MBA**

In the 1970s the part-time program leading to the MBA degree was re-instituted and the Diploma program phased out. The curriculum for the part-time MBA differs only slightly from that for the full-time program. Since 1988 part-time MBA students complete the program in 10 terms (fall, winter, and summer) of evening classes over a period of 3 1/3 years. This 'fast-track' program enables students to stay together in a class or cohort for the first-year core courses and the second-year Strategic Management course. In this respect it is a highly structured program very different from the cafeteria plan of the earlier program and from most other part-time programs in North America. If GMAT and academic standing are taken as the criteria for evaluating students, it has attracted the best applicants to the Rotman School of Management's regular MBA programs.

### **3.2.3 Executive MBA**

The Executive MBA program was introduced in 1983 by Dean Tigert and is a distinctive program designed to take advantage of the fact that the students in the program have middle- management experience. Students in the Executive MBA attend for a full day on alternate Fridays and Saturdays and complete the program in two years.

The Executive MBA program represented the Rotman School's first degree program that is fully financed by tuition fees rather than being a provincially funded program. The addition of the program in the Rotman School allowed an increase in the number of academic staff and the size of the various areas became closer to being the critical mass for effective research and teaching in each area. In 1983 it was expected that the Executive MBA would fund six tenure-stream faculty positions. It also improved markedly the Rotman School's relations with the business community.

In 1998, a second-year option, the Global Executive MBA, was announced. In association with institutions in Europe and Asia, students spend classroom time on these continents with multinational study teams and managers.

### **3.3 Other Master's Programs**

#### **3.3.1 Master of Management and Professional Accounting**

With the integration of the undergraduate Commerce teaching staff in Accounting into the Rotman School in 1982, Accounting began to play a more important role in the Rotman School. Some of the staff who previously had taught only in the Commerce programs now began to teach in the MBA program. More Accounting options were added and in 1989 a program leading to the MBA degree was added for students wishing to acquire a deeper knowledge of Accounting than would be obtained in the undergraduate Commerce and Finance program. In part, this program was a response to an increase in the requirements announced by the Institute of Chartered Accountants of Ontario for certification as a CA. The program covered seven terms, including five academic study terms and two co-op terms where students work in an accounting environment. Students with a suitable undergraduate background may have advanced standing and complete the program in four to six terms. The program is fully funded by tuition fees and most students have their tuition supported by the accountancy firms with which they spend their work terms. The program was moved to the Mississauga campus of the University in 1996 to give that campus a stronger presence in Accountancy and the degree was changed to Master of Management and Professional Accounting (MMPA).

#### **3.3.2 MBA/LLB Program**

The Rotman School of Management and the Faculty of Law offer a four-year joint program for those who wish to combine graduate education in management with the study of law. Graduates are awarded both the MBA and the LLB degrees.

## **4. DOCTOR OF PHILOSOPHY**

Why should faculty members in a school of business do research and why should schools of business have doctoral programs? Whitehead (1949, pp. 101-2) presents the following argument:

...the proper function of a university is the imaginative acquisition of knowledge. ...It can only be communicated by a faculty whose members themselves wear their learning with imagination. (p. 101)

Do you want your teachers to be imaginative? Then encourage them to do research. Do you want your researchers to be imaginative? Then bring them into intellectual sympathy with the young at the most eager, imaginative period of life, when intellects are just entering upon their mature discipline. Make your researchers explain themselves to active minds, plastic with the world before them; make your young students crown their period of intellectual acquisition by some contact with minds gifted with experience of intellectual adventure.

Education is discipline for the adventure of life; research is intellectual adventure; and the universities should be homes of adventure shared in common by young and old. (p. 102)

In 1969 the School began admitting doctoral candidates into four areas: Finance, Marketing, Organizational Behaviour, and Business Economics. The program in Business Economics was not successful in attracting good students and ceased to admit new students in the late 1970s. A doctoral program in Operations Management and a joint PhD program in Finance and Economics with the Department of Economics were added in the 1980s.

## **5. RESEARCH CENTRES**

Currently the Rotman School of Management has a number of research centres created and managed by faculty members:<sup>21</sup>

### **5.1 Canadian Centre for Marketing Information Technology**

The mission of the Centre, known as C<sup>2</sup>MIT, is to improve the productivity of Canadian businesses by providing a link between marketing practitioners and scholars at the University who are working on the frontiers of marketing research science. Marketing academics who specialize in mathematical and statistical modelling can help marketing practitioners decipher mountains of data and solve marketing problems. One of the Centre's current research projects is designed to develop ways for retailers to use scanner data to assess the influence of feature advertising on the market basket of items purchased by consumers. Another project aims to provide an understanding of how the price differential between national brands and private brands affect their sales. The Centre's executive director is Andrew Mitchell.

### **5.2 Centre for International Business**

Founded in 1993 with the sponsorship of seven Canadian corporations, the Centre's mission is to focus the University of Toronto's expertise in international economics and strategic management in ways that assist Canadian businesses to increase their international competitiveness and to develop strategies to become world leaders in their fields. The Centre's research has two aims: (1) to analyze global economic trends and to assist executives to understand the risks and opportunities inherent in those trends that are beyond their control; and (2) to study trends in international business and assist executives with knowledge applied to building lean, innovative and internationally competitive organizations. The research strategy is formulated in consultation with an Advisory Committee, and is carried out in collaboration with members of the global research networks of the Centre's Associates. The research focuses on firm competitiveness, behaviour and strategies; policies that affect trade and investment; and research that recognizes that in a globally-integrated business environment, both the economic and environmental effects of environmental policies must be examined in a cross-national perspective. The Centre's Director is Wendy Dobson.

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<sup>21</sup> For some comments on research in Canadian Business Schools see Maher (1990) and Smith (1990).

*International Business Perspectives*, published quarterly and disseminated widely to the business and policy communities, presents concise analyses and interpretations of current developments in the global economic environment and anticipates future trends that will have an impact on North American businesses. Research findings are published periodically by the Centre in *The Papers*. Monthly roundtables provide a forum where CEOs can focus on and discuss developments in international business and in the global economic environment. Annually the Centre holds an International Business Conference in collaboration with *The Globe and Mail*, which brings together senior private and public sector leaders to address the challenges faced by Canadian businesses seeking to become world leaders.

### **5.3 Centre for Public Management**

This centre supports basic and applied research in public management and serves as an interdisciplinary focal point for scholars of public management at the University. It aims at strengthening the dialogue between public management scholars and practitioners. The director of the Centre is Sandford Borins.

### **5.4 Clarkson Centre for Business Ethics**

The Clarkson Centre for Business Ethics (originally named the Centre for Corporate Social Performance and Ethics) was founded in 1988 by Max Clarkson to foster the development of research in corporate social performance and ethics and to facilitate its application. The Centre's executive director is Leonard J. Brooks.

Business ethics is a broad field that can be approached from many different perspectives based on epistemological premises derived from moral philosophy and the social sciences and can be focused on macro and micro domains. For its research activity the Centre has chosen the micro domain of organizations and their managers, rather than the macro domain of business and society, and the research is based primarily on empirical data from which theory is derived. The academics in the Centre prefer to be considered social scientists rather than moral philosophers. The Centre's research activities have focused on four major areas: (i) corporate social performance and the stakeholder theory of the firm; (ii) codes of ethics, conduct, and practice and their effective implementation through ethics programs and the integration of ethical principles with corporate strategy; (iii) corporate governance and the board of directors; and (iv) redefining the role, purpose, and responsibilities of the corporation from the perspective of stakeholder theory.

The Centre established an international reputation by developing and implementing a major research theme 'Stakeholder Theory and Management' and organizing conferences for international scholars around this theme. The Clarkson Centre was chosen to create a network, act as the central communications node for the project, provide the necessary supervision and backup for the E-mail

network, host the web-site<sup>22</sup>, the bibliographical data, the distribution of working papers and other materials to the participants, and act as gatekeeper and animator of this international colloquy.

Members of the Centre have been actively teaching, consulting with clients, writing, broadcasting both on radio and television, and speaking to business audiences to disseminate effective practices in business ethics. These activities, and the papers that they have generated, have contributed significantly in the classroom. These achievements have been made possible with the support of many clients, which include some of the largest corporations in Canada. From its inception, the Centre's strategy has been to obtain the funding necessary for its activities by means of academic consulting fees, rather than by the more traditional academic solicitation of support from a number of corporate sponsors. This funding philosophy has preserved the complete independence of the Centre and has also enhanced the long-term viability and best interests of the Centre.

In 1997 the Geoffrey R. Conway Chair in Business Ethics was established as a result of a \$1 million donation given by a group which included two of the School's professors and a number of business leaders. The Chair was established to strengthen the study of business ethics in the School's curriculum and the research activities of the Clarkson Centre.

### **5.5 International Centre for Tax Studies**

The International Centre for Tax Studies was established in 1994 to stimulate research on taxation and tax policy. The co-directors of the Centre are Jack Mintz and Richard Bird. Operationally the Centre works closely with the Centre for International Business.

Its main activities have taken four forms: (i) It has sponsored a number of visitors, seminars, and conferences. (ii) It has published a number of papers on tax and fiscal issues in its Discussion Paper series and distributed them to academic, government, and business experts in Canada and abroad. (iii) It has facilitated a number of research activities undertaken by its faculty associates. (iv) It has developed a number of longer-run research projects which are being considered by several funding agencies. Studies have been carried out on topics such as fiscal decentralization in developing countries, user charges, taxation and environmental policy, research and development tax incentives, taxation in China, and the taxation of non-profit institutions. Among sponsors of this work have been the federal Department of Finance, the OECD, the World Bank, the Treasury Board Secretariat, CIDA, the International Council for Canadian Studies, and DuPont Canada. The Centre recently was awarded a major research grant from the Donner Foundation for a study on the impact of taxes and regulations on jobs in Canada.

### **5.6 Laboratory for Manufacturing Research**

The Laboratory for Manufacturing Research conducts research in the area of Operations Management. Research projects include production planning and scheduling of manufacturing

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<sup>22</sup> The Centre's Internet address is <http://www.mgmt.utoronto.ca/~stake>.

systems, inventory control, supply chain management, and location of discretionary service facilities. The Laboratory was started in 1988 by a grant from the Manufacturing Research Corporation of Ontario and the donation of computing equipment by Digital Equipment Corporation. Equipment grants from the National Science and Engineering Research Council (NSERC) were received in 1994 and 1997. The resources of the Laboratory are used by staff of the Operation Management area, postdoctoral fellows, doctoral students, and visiting faculty. The Laboratory was directed by Suresh Sethi until he took leave of absence in 1997.

### **5.7 Capital Markets Institute**

The Toronto Stock Exchange made in January 1998 a gift to the University to create a Capital Markets Institute and two endowed chairs, one in the Rotman School and one in the Faculty of Law. The Institute is to serve as a centre for independent and rigorous research and debate on the structure and performance of Canadian capital markets. The Institute is to disburse at least \$750,000 in research funding over a five-year period. The Institute's Management Committee is to seek the advice of an Advisory Board consisting of the Deans of the two Faculties, the President of the Toronto Stock Exchange, and three persons from outside the University who have knowledge and interest in the area of capital markets. The responsibility for the design and execution of funded research projects is, however, to be in the exclusive domain of the academics who are funded by the Institute.

### **5.8 Centre for Finance Studies**

The mission of the Centre, launched in March 1998, is to work closely with the business community to share the results of high quality, relevant research in finance at the Rotman School and to support new research in finance.

### **5.9 Centre for Accounting Studies**

In accordance with the 'FMS/C&F Task Force Report', a Centre for Accounting Studies was created and functioned in the Faculty of Management until 1993 when the position of Director of the Centre became vacant and was not filled.

### **5.10 Research Centres in Other Divisions of the University of Toronto**

Members of the Rotman School also participate in the work of the Institute for Policy Analysis, the Centre for Industrial Relations, and the Centre for International Studies.

## **6. EXECUTIVE DEVELOPMENT PROGRAMS**

The Institute of Industrial Relations had begun a series of non-degree conference programs. The Institute of Business Administration extended these in the 1950s to include business administration. In 1960 a weekly evening seminar on *Management of the Enterprise* led by Ralph

Presgrave was begun and was quite popular. Maurice Hecht joined the staff in the 1960s to direct a number of short executive development programs for middle managers. An annual conference on the economic outlook was also begun, but, as other institutions began to have regular outlook conferences, this conference was dropped.

*The Management Process* --recently a four-week program spread over four months designed to broaden the knowledge of managers --was started along with *Management in a Changing World* in the early 1970s under Dean Crispo. This represented the Faculty of Management's main thrust into non-degree management education. Two programs were initiated in the period 1980-83 by Dean Tigert, *Strategic Planning in Retailing*, and *Organization Design and Redesign*. More recent programs have included *Leadership and Change*, *Negotiating for Success*, *Strategic Marketing Management*, and a variety of programs on derivative securities.

The Rotman School has also developed a strong presence in *custom* programs designed for specific business or government organizations. Dean Tigert (1985) pointed out that 'companies are turning increasingly towards in-house programs' and 'universities cannot afford to ignore this key source of revenue'. These programs involve members of the faculty working in close partnership with client organizations in the design and delivery of executive programs exclusively for that client. The School has put on such programs for organizations such as the Metropolitan Toronto Police Force, the National Research Council, Northern Telecom, Spar Aerospace, Stentor, Domtar, and Digital Canada.

Two programs being launched in 1998 are 'The Advanced Program in Managing Strategic Change' which leads to qualification for the Certificate in Strategic Change Management and 'The Advanced Program in Human Resources Management' which fulfills academic requirements of the Certified Human Resources Professional designation (CHRP).

In 1998 the University of Toronto and McGill University announced a partnership in Executive Programs. Eleven professional development programs are to be offered in Toronto, Montreal, Ottawa and Hong Kong. The programs are also available in-house to the employees of particular organizations, and can be offered in either English or French.

The School's Executive Development Programs were housed for many years in the Ontario Institute for Studies in Education building and later in the Air Canada building on Bloor Street. They are now in the Joseph L. Rotman Management Centre.

## **7. THE CANADA-CHINA MANAGEMENT EDUCATION PROGRAM**

Over the years 1984 to 1996 Myron Gordon supervised a Canada-China Management Education Program between the Faculty of Management and the business schools at Huazhong University of Science and Technology in Wuhan, South China University in Guangzhou and

Zhejiang University of Hangzhou. The program, which was funded by CIDA in the amount of \$3,750,000, had as its objective the improvement of management education at these universities, by sending U.of T. academic staff there to lecture, and by bringing their students and scholars over here to study, involving them in joint research, and advising their administrators on curriculum development. Notwithstanding the fact that a large fraction of the young people who came over as students and obtained degrees did not return to China, the program was immensely successful. The above three Chinese universities now offer degree programs, including the MBA degree, and executive development programs that are quite similar to the programs in Canadian universities. These Chinese business schools are contributing significantly to education and research in enterprise management and the development of market socialism in China.

## **8. REFLECTIONS ON A FULL-SERVICE SCHOOL OF MANAGEMENT**

The University of Toronto began the first four-year Commerce and Finance program in Canada leading to a bachelor's degree in 1909 and followed this with a Bachelor of Commerce program in 1920<sup>23</sup>. These programs were joint specialist programs in Commerce and Economics based on the English model of the University of Birmingham and were placed in a liberal arts environment which the University of Toronto still tries to retain by keeping the program rooted in the Faculty of Arts and Science. The desire of the business community for a more practical training in management techniques led to the creation in 1938 of the Master of Commerce program which became an MBA program in 1960. Out of this has grown a full-service graduate business school: the Joseph L. Rotman School of Management. The Rotman School has a strong research base with a PhD program and a teaching staff designed to service various degree programs and executive programs. It also services the Commerce half of the BCom program in cooperation with the Department of Economics which provides the other half of the joint specialization, which gives the BCom its liberal arts flavour.

### **8.1 Achieving the Appropriate Academic Staff for the Mix of Programs**

The diversity of programs requires a diversity of academic staff. The School now contains academic staff who are research-minded, will add to the knowledge of management skills, and who will work with doctoral students; staff who work closely with the business community, are familiar with management practices, and will develop cases for instructional purposes; and staff who are orientated towards professional Accounting programs. The problems of recruiting and of developing tenure and promotion criteria, which are fair to all members of such a staff, have become complex tasks.

### **8.2 Establishing Program Priorities**

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<sup>23</sup> The Hautes Etudes Commerciales, Montreal, had begun a three-year degree program in Commerce in 1907 and Queen's University began a Bachelor of Commerce program in 1919. McGill had started a two-year diploma course in Commerce in 1907.

In times of budget constraints and limited size of academic staff, it becomes increasingly difficult to give all programs the required amount of resources to maintain their current status. A balanced allocation of the scarce resources among the undergraduate Commerce programs, the PhD program, and the graduate programs in Management becomes essential and may be a source of conflict among program administrators.

### **8.3 Maintaining Program Identities**

Programs should be staffed in a way that maintains their separate identities. It becomes a matter of concern that, when the same persons are teaching in the BCom program and in the MBA program, the distinction between the BCom as a liberal arts program and the MBA as a professional management program may tend to disappear. It becomes convenient to teach the same courses to first-year MBA students and to upper-year Commerce and Finance students. The history of the BCom program tends to be forgotten. Evolution may mean that the weaker species disappears -that Management displaces Commerce in the undergraduate program. All academic staff should know the history and original objectives of the programs in which they teach. Changes should only come about after a review of the history and a full discussion of the consequences of the changes.

### **8.4 Specialist v. Generalist**

Some students at the master's level may wish to become specialists in an area such as finance or marketing. In this respect, they may wish to build on a BCom program rather than proceed to an MBA, a generalist program to produce managers. This makes a strong argument to have a Master's degree for specialists in finance, marketing, or operations management within a management school. The resurrection of the MCom degree for this purpose would be one solution to the problem since it is unusual to have a bachelor's degree such as the BCom which does not have a master's degree to which graduates in disciplines other than accounting may proceed. There is now an MMPA degree for Accountancy.

Another aspect of the specialist versus generalist debate concerns the PhD program. It would expedite the progress towards the doctoral thesis if students were not required to obtain an MBA before proceeding to the doctorate. The specialist master's suggested above might be a more appropriate path to follow. The argument for the MBA is that the graduates of the doctoral program may be teaching MBA students and should therefore know the MBA program. Is a DBA program more appropriate than a research-oriented PhD for teachers of MBAs?

### **8.5 Balancing the Budget**

Some degree programs operate with the normal mixture of tuition fees and provincial government financing while others operate on a full-cost tuition basis. The revenue from Executive Development Programs is factored into the School's budget. If the Executive Development Programs were not to make their expected contribution to the revenues of the School becomes a source of

potential budgetary problems. Errors in forecasting enrolment in the Executive MBA program can lead to significant shortfalls in the School's revenue. Thus, the School's financial accounting is now complex and forecasting errors can lead to significant deficits. The School is subject to 'businessman's risk'; bankruptcy becomes possible with trusteeship as an outcome.

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