

1966?

HISTORY OF THE COLLEGE OF BUSINESS ADMINISTRATION
LEHIGH UNIVERSITY
BETHLEHEM, PENNSYLVANIA

By Carl E. Allen

It was not until late in the 19th century that business was beginning to be recognized as essentially a ^{PROFESSION} ~~new occupation~~, and that some form of preliminary training at the college level would be very helpful to a young man starting in business and in some areas had become almost necessary. Formerly it was common for a young man to enter an office or financial institution and work his way up to a position of responsibility. However, as industry and commerce became more and more specialized it was realized that a young man trained at the college level in economic principles and in the basic facts of accounting, finance, statistics, and business law would be more likely to succeed and in a shorter time. This training at the college level was no attempt to provide a substitute for experience gained from actual contact with business. Its aim was to develop in the student an intelligent understanding of forces and principles, and a habit of thought that would enable him in later life to cope with the problems that increase with the assumption of positions of responsibility.

The earliest known proposal for the establishment of a College of Business Administration is contained in a report in 1869 by President Robert E. Lee to the trustees of the institution that later became known as Washington and Lee University. He proposed "not merely to give instruction in bookkeeping and the forms and details of business but to teach the principles of commerce, economy, trade, and mercantile law." This proposal was not carried out, probably

because General Lee died the next year. To the University of Pennsylvania goes the honor of establishing the first collegiate school of business in the United States, the Wharton School of Finance and Commerce in 1881. It was named after Joseph Wharton since he gave the University \$100,000.00 to establish the school. It was not until seventeen years later in 1898 that the University of ~~California~~ California and the University of Chicago established their schools of commerce. In 1900 three more schools of commerce and one department of business administration were started. These were the Amos Tuck School of Administration and Finance at Dartmouth, The New York University School of Commerce, Accounts and Finance, the School of Commerce at the University of Wisconsin, and the Department of Economics and Commerce at the University of Vermont. Thus we began the century with only seven institutions offering courses in business on the collegiate level. In the next ten years twelve more schools were added to the list, and in the next five years another twenty-one. From 1915 through 1924 there were 143 new school of business established. Lehigh's College of Business Administration was started during this period being established in 1918.

At Lehigh University as early as 1893-94 the course in History included "lectures on the elements of political economy". The student was made familiar with the facts, methods, and doctrines of the science.

In the University Register of 1897-98 we find listed for the first time two courses in economics, one called Elementary Economics, and the other Economic Problems.

It was in this same Register that the name of John L.

Stewart, A.B., Ph.B., is listed as a Lecturer in History ~~and~~ and Economics, and the Register of 1898-99 as a Professor of History and Economics, a title Professor Stewart retained (as well as Director of the Library) until he was granted a leave of absence in December 1923. It is interesting to note that Professor Stewart was a graduate of the Wharton School of Finance and Commerce, the first collegiate school of business in the United States.

During the next ten years Professor Stewart introduced several new courses all of which were listed under History and Economics. Among the courses related to business were: Economic History, Modern Economic and Social Problems, History and Development of Economic Ideas and Systems, Public Finance, and Business Law. Apparently Professor Stewart taught all these courses as well as several in History.

In the University ^{CATALOG} of 1909-10 there is listed for the first time a four year course in Business Administration under the Arts and Science Department, the B.S. degree being awarded upon completion. The purpose of this four year course was stated as follows: "The course in Business Administration is to prepare young men for the commercial and administrative sides of our leading business organizations. It is intended for those who have no inclination for engineering courses but who are desirous of obtaining knowledge of the business of mining, metal and transportation industries. This knowledge combined with that derived from a study of economics, finance, accounting, and business law, make a significant appeal to those looking forward to a business career in

private life or as a public official". The work required in this Four Year Course consisted of the following: one year each of History of Commerce, Drawing (Freehand and Mechanical), Industrial History, Mathematics, Accounting, Business Law, Public Law, Economic Principles, and Commercial Geography; two years each of English and Science; four years of German or French; and some twenty-four credit hours of electives.

With the introduction of this new Four-Year Course it was apparently necessary to add more staff. Accordingly, we find that in 1911 Earl A. Saliers, B.S., M.A., Ph.D., came to Lehigh as an Instructor in Accounting, in 1913 Ralph E. George, B.A., as an Instructor in Economics, and 1914 Ezra Bowen IV, B.S., as Instructor in Economics.

The Register of 1914-15 shows several new courses were added as follows; Accounting Practice, Accounting Theory, Accounting Problems, Fiduciary Accounting, Investments, and Banking and Currency. It is also noted that the Four-Year Course is no longer listed under Arts and Science but separately under the caption Business Administration, with the B.S. degree still being awarded upon completion. A partial description of this Four-Year Course follows:

"The Course in Business Administration has in view the making of business as a career, and regards banking, foreign trade, and allied pursuits in the light of a liberal profession. The Course stands in the same relation to the life and calling of the manufacturer, the merchant, and other men of business as do the law and medical schools of the universities to lawyers and physicians. It provides a scientific training in the structure and organization of modern industry and commerce, and in the general causes and criteria of prosperity."

In 1915 the staff teaching the courses in business and economics consisted of Professor Stewart, Ezra Bowen,

and John H. Bickley, B.S. as Instructor in Accounting, who apparently took the place of Dr. Saliers. During this year Statistics was offered for the first time under Business Administration. An addition to the description of the Four-Year Course was as follows:

"With the application of more scientific methods in all branches of human enterprise, comes a growing need of special preparation to enter the business world...."

"The Course in Business Administration is a technical course. It takes into account the fact that there is a Science of Business, with Economics as its underlying basis. The important subdivisions of the science of Economics, such as Accounting, Finance, Political Science, Transportation, Industry, Industrial Management, etc., are offered under this course."

"The Course is designed not only to prepare young men to enter business life, but it also offers preliminary training for the study of law, accountancy, public service, and teaching."

In 1918 the three colleges were established; the College of Arts and Science, the College of Business Administration, and the College of Engineering. The four year course now offered in Business Administration was about the same as that previously listed under the Arts and Science Department, and first appearing in 1909-1910.

In the Register of 1919-20 there are twenty-nine courses listed under Business Administration. These included seventeen in Economics and Accounting, four in Law and Political Science, two in Economic Geography, and six courses in History. Only one new staff member was added, Clarence D. MacGregor, A.M., LL.B., as an Instructor in History. The

first listing of business students separately appeared in this Register, there being ⁷⁷~~141~~ enrolled. It was also

^{IN THIS REGISTER} noted that suggestions were made and courses listed that were needed for the preparation of Law, Accountancy, Finance, Banking and Investments, and Foreign Trade. A suggested area

of concentration in Industrial Management was added in the following year. Thus we see the introduction of majors in Business Administration.

In 1920 George E. Curtis, B.A., B.S. (who afterwards served the University as Registrar) was added to the staff as Assistant Professor of Economics, and in that same year an Evening School of Business Administration was organized and a three year course was offered. Two new instructors were employed to help teach the following courses offered in the Evening School: Business Law, Banking and Currency, Elementary Accounting, Elementary Economics, Finance, Cost Accounting, Corporation Accounting, Auditing, Foreign Trade, Advertising, Investments, Insurance, Industrial Administration, and Government Regulation of Business.

In 1920 it is noted that Professor Charles S. Fox of ~~the~~ Romance Language was listed as a Lecturer in Economic Geography. This course as well as all History courses were still listed under the College of Business Administration.

On December 1, 1923 Professor Stewart was granted a leave of absence to become a member of the Pennsylvania Public Utility Commission, and Neal Carothers, Ph.D. (and Rhodes Scholar) took his place as Acting Head of the College of Business Administration. Dr. Carothers came in the Fall of 1923 as Professor of Economics, and was to remain as Head, Director of the Curriculum, and Dean of Business Administration until his retirement in 19⁴⁹~~30~~.

The purpose of the College of Business Administration as restated in the Register of 1923-24 was to perform two functions as stated below:

"First Function--to provide for students intending to enter business rather than the professions thorough training in the principles that underlie all business activity. The curriculum covers fundamental economic principles that control the growth and operation of all business enterprises, and the basic facts of accounting, finance, and statistics."

"Second Function--to afford students in the College of Arts and Science and in the various Engineering curricula an opportunity to receive instruction in fundamental facts and principles of economics now recognized as a necessary part of the curricula of all college students."

In 1924 Dr. Carothers became Head of the College of Business Administration as Professor Stewart apparently had decided to stay on with the Utility Commission. In this year Roy B. Cowin, M.A., came to Lehigh as a Professor of Accounting and was to serve the University as a teacher and Head of the Department of Accounting until his retirement in 1956.

In 1924 it is noted also that all History courses formerly listed under Business Administration now appear under History and Government in the College of Arts and Science. It was in 1924 that Dr. Lawrence Gipson came to the University as Professor of History and Government and as Head of this new department.

In 1925 Dr. Carothers became Director of the College of Business Administration and Head of the Department of Economics, Sociology, and Business Administration, a mere change and addition of titles. There were 318 students in College of Business Administration at this time and thirty-six courses were offered, including one course in Industrial Management, and two in Sociology. A second course in Industrial Management was offered in 1926.

From 1926 through 1930 there were four new staff members

who joined the University and ^{who} would remain until retirement. These were Doctors Frederick A Bradford, Herbert M. Diamond, Elmer C. Bratt, and Carl E. Allen. Dr. Bradford came in 1926 and served not only as a teacher but as Head of the Department of Finance, and as Director of the Graduate Studies in Business. He retired in 1966. Dr. Diamond came in 1927 as a Professor of Economics and served the University as a teacher, as Head of the Department of Economics and Sociology, and as Acting Dean of the College of Business Administration until his retirement in 1964. Dr. Bratt came in 1929 and has continued as a teacher, as Head of the Department of Economics and Sociology, and as Associate Dean for Research. Dr. Allen came in 1930 and served the University in various capacities in addition to teaching--as Acting Auditor, Acting Assistant Treasurer, Accountant for the Army Student Training Program, Acting Dean and Dean of the College of Business Administration until his retirement in 1964.

In 1930 there were ten members of the teaching staff, thirty-five courses were given, and there 376 students enrolled in the College of Business Administration. It is noted that the two courses offered in Industrial Management over the past five years under Business Administration have now been placed in the list of courses offered in Industrial Engineering.

From 1930 through 1935 there were practically no changes in staff or in the number of courses offered. The student enrollment averaged around 350 each year.

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In the Register of 1932-33 the College of Arts and Science suggests for the first time various courses the student should take if he is preparing for business. Then in 1940-41 majors were announced by the College of Arts and Science in the following fields of business administration: Economics, Finance, and Accounting. In 1959-60 a major in Foreign Careers was added.

In 1936 the College of Business Administration was organized into three departments. These were Accounting, Economics and Sociology, and Finance. At the same time Professor Roy B. Cowin was appointed Head of the Department of Accounting, Professor Herbert M. Diamond as Head of the Department of Economics and Sociology, and Professor Frederick A. Bradford as Head of the Department of Finance. In this year it is also noted that Dr. Carothers was given the title of "Dean of the College of Business Administration" instead of "Head of the College of Business Administration". Deanships were also established at the same time in Arts and Science, and Engineering.

In 1938 Lehigh's College of Business Administration became a member of the American Association of Collegiate Schools of Business. This association was started in 1916 when the deans of fourteen leading business schools realized that there ^{WERE} some whose standards were not too high. This was due in part to the phenomenal growth in the number of business schools in the early part of the century. This organization was an attempt to raise the standards of business schools and to accredit those who met those standards. Among the requirements for accreditation were:

1. At least 40% of the work required for the bachelor's degree must be in business and economic subjects, and at least 40% in general education or liberal arts.
2. There must be training in seven fundamental areas of business; accounting, economics, statistics, business law, marketing, finance, and management. Opportunity must be given also to go beyond these basic courses in at least three of these fields.
3. The teaching staff must be qualified as to training, experience, and scholarly productivity. For example at least 50% of the ~~teaching~~ staff teaching junior-senior courses must have terminal degrees--Ph.D. for

those teaching economics and related fields, Master's degrees and the C.P.A. or the Ph.D. for those teaching accounting, and bachelor's degree and LL.M. or Ph.D. for business law instructors.

4. Another standard of the Association limits the teaching load that may be assigned to a professor, as well as the number of subjects taught in any one semester. The teaching load includes not only the hours per week but the number of students per section. For example, an instructor should not teach in more than two fields at the same time.

In 1938 when Lehigh was admitted to the American Association of Collegiate Schools of Business there were forty-eight member schools. ~~At the present writing there were~~ ^{In 1965 there} ~~are some~~ 117 members.

In 1938-39 there were ten members of the teaching staff and fifty-one courses were offered, including five in Sociology. There were 465 students registered in the College of Business Administration out of a total enrollment of 1,867.

There was very little change in the number on the staff, the courses offered, and the enrollment from 1938 to 1943. During the War Years, however, all staff members, except the three department Heads and the Dean were either away on leave for war duties or were assigned duties other than teaching in the University. In the summer of 1943 the University went on a three semester basis, and this continued through 1947. At one time during this period there ^{was} as few as 293 students registered in the University, 26 of whom were business administration students. Detailed statistics on enrollment, staff, and courses may be found in the attached Table. With the decline in regular student enrollment the University was able to assist the War Department in the

Army Student Training Program (A.S.T.P.), and ~~at one time~~ during the war years had ~~as many as~~ ^{some} 1,500 Army Trainees in the program. The four individuals who remained on the teaching staff of the College of Business Administration were assigned to teach Economic Geography in the program.

In the Spring and Summer Semesters of 1946 Lehigh students who had enlisted in the various armed services began to come back to the University under the G.I. Bill. There ^{were} some 280 registered in the College of Business Administration and 1,470 in the University as a whole during the Spring Semester, and 381 and 1,838, respectively, in the Summer Semester.

Beginning with the Fall Semester of 1946 the total enrollment jumped to 2,723, and that in the College of Business Administration to 554. These enrollment figures have not varied a great deal since that date, as will be noted by the accompanying Table.

In 1947 Dr. Neil Carothers, Dean of the College of Business Administration, was granted a leave of absence, and Dr. Carl E. Allen was appointed Acting Director of the Curriculum in Business Administration. When Dr. Carothers leave was extended and he reached retirement age in 1949, Dr. Allen was appointed Dean and served until 1960 when he resigned at the age of 65. Dr. Allen then continued as a Professor of Accounting until he retired in 1964.

In 1948 the curriculum in Business Administration was revised requiring the student to select a major area

of concentration. Opportunities were given to specialize in any one of the following: accounting, economics, finance, and marketing. If no area was selected the student was given a program called "general business" which covered the fundamentals of all the above special areas plus at least one advance course in each. Prior to 1948 the student in his junior and senior years could select any twelve courses out of a group of some thirty-eight. Often he would choose those that appeared easiest without any thought as to his preparation for service in a particular field. →

In 1952 the College of Business Administration offered a Five-Year Curriculum in Industrial Engineering and Business Administration. The student pursuing this course of study completed his B.S. in Industrial Engineering at the end of four years and the B.S. in Business Administration at the end of five years. During the first four years most of the basic business courses were completed as part of the requirement for the Engineering degree. During the fifth year the student had the option to concentrate in one of following areas of business administration: accounting, economics, economic statistics, finance, marketing, and personnel and industrial relations. Students majoring in other branches of engineering often arranged special programs whereby they could get degrees in Engineering and Business Administration in a little over five years.

In 1952 there was offered for the first time a graduate program in business administration upon the completion of which there was granted the degree of Master of Business Administration (M.B.A.). Most of

Two other areas of concentration since 1948, one being in the field of Management and the other in Foreign Careers. have been added

the courses required in the program were given in the evening or on Saturday morning in order to accommodate those who were working full time in the area. Since many of the students requesting entrance to the program were graduates of curricula other than business administration, and did not have sufficient background work in business administration to pursue the graduate courses, it was necessary to offer ^{IN THE EVENING} basic courses in accounting, business cycles, business law, corporation finance, economics, labor problems, marketing, money and banking, and statistics. With these offerings it was possible for a student who had not received his bachelor's degree in business administration to complete the requirements for the M.B.A. degree in a two year period if he enrolled on a full-time basis.

In 1952 when the above graduate program was first offered there were only nine students that enrolled in it. Only five courses in business administration were given that were for graduate students only. The balance of the program was made up of advanced undergraduate courses that were accepted for graduate credit. As time passed, however, and the program became better known there was an increasing demand for such graduate studies. Growing from five graduate courses and twelve students in 1952 there were 223 students and twenty graduate courses in 1965. In addition there was an increase in staff from twenty-two to thirty ^{SEVEN} ~~three~~ during the same period.

In 1961 graduate programs were designed so that competent students in Arts or Engineering could attain a B.A. or a B. S. degree, and a master's degree in business administration (M.B.A.) within five years plus a certain amount of summer session work.

In 1964 a new master's program was announced in Management Science upon the completion of which a student would be awarded a Master of Science degree. In 1965 a graduate program was offered in the field of Business and Industrial Economics giving the student the opportunity of receiving the Ph. D. degree upon its completion.

In 1960 Dr. Carl H. Madden was appointed Dean to succeed Dr. Allen who had reached retirement age. Dr. Maddon's tenure was short, however, as he resigned on September 1, 1963 to accept a position as economist with the Federal Reserve Board. Dr. Herbert M. Diamond was appointed as Acting Dean until Dr. L. Reed Tripp could take over the deanship on February 1, 1964.

In 1963 all Sociology courses which were originally started in the College of Business Administration in 1925, were transferred to the College of Arts and Science under the Division of Social Relations. As in the case of History, Sociology was first taught by professors in Business Administration as they were the only ones in the University at the time such courses were offered who were the best qualified to teach in those areas. As time passed, however, with the increase in college enrollment, and the demand for courses in these fields, they were transferred to the College of Arts and Science, and have become important divisions in that College.

The College of Business Administration, as we have noted, was organized and established in 1918 with two staff members, 77 students, and offered twenty-seven courses, four of which were in History, and the rest labeled Economics and Public Law. No graduate degree in Business Administration was offered until the Fall of 1952. In 1965 there were thirty-seven members of the staff, 523 undergraduates and 223 graduate students, and eighty-four courses were offered, twenty of which were for graduate students only. The above figures show the growth and development of the College of Business Administration over the forty-seven years it has been in existence.

COLLEGE OF BUSINESS ADMINISTRATION DATA
(Fall Semesters only)

Year	Number of Courses Offered	Number on Staff	Number of Students		Undergrad. Total Enrollment
			Bus. Adm. Undergraduates	Graduate	
1918-19	27 (1)	2	77		901
1919-20	29	4	141		1,136
1920-21	31	5	166		1,104
1921-22	33	5	175		1,132
1922-23	34	5	196		1,063
1923-24	32	5	209		1,082
1924-25	18	5	278		1,259
1925-26	36 (2) (3)	5	318		1,465
1926-27	38	8	368		1,614
1927-28	34	8	359		1,517
1928-29	32	9	352		1,566
1929-30	32	9	373		1,570
1930-31	35	10	376		1,558
1931-32	35	10	379		1,489
1932-33	35	10	350		1,377
1933-34	36	10	321		1,337
1934-35	36	10	289		1,340
1935-36	35	10	310		1,442
1936-37	35	10	364		1,634
1937-38	51	10	399		1,759
1938-39	51	10	465		1,867
1939-40	51	13	460		1,834
1940-41	51	13	459		1,770
1941-42	51	13	406		1,781
1942-43	50	9	322		1,780
1943-44	50	5	28		472
1944-45	50	5	39		339
1945-46	50	5	95		674
1946-47	58	15	554		2,723
1947-48	58	18	728		3,025
1948-49	62	23	700		2,992
1949-50	62	23	707		2,952
1950-51	62	23	714		2,799
1951-52	66	24	694		2,661
1952-53	70 (4)	22	618	9	2,627
1953-54	74	25	592	22	2,559
1954-55	74	25	592	29	2,607
1955-56	78	29	587	25	2,701
1956-57	80	29	555	41	2,673
1957-58	82	28	547	72	2,674
1958-59	86	34	618	93	2,683
1959-60	86	31	599	96	2,681
1960-61	86	33	561	104	2,666
1961-62	87	31	557	118	2,660
1962-63	88	31	506	126	2,651
1963-64	79	37	474	148	2,696
1964-65	79	33	513	182	2,769
1965-66	84	37	523	223	2,978

courses

- (1) All History were listed under Business Administration through 1923.
- (2) Industrial Management courses were listed under Bus. Adm. from 1925 through 1929.
- (3) All Sociology courses were offered under Bus. Adm. from 1925 through 1963.
- (4) Beginning in 1952 both undergraduate and graduate courses are included.