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sulting firms in LDCs more effective, the following steps should be taken:

- ☐ All members of staff who are to be employed as advisers in developing countries should receive special training in the course of which they should be made acquainted with the economic and social problems and aspirations they are likely to encounter.
- ☐ Language courses should be arranged for advisers who are to remain abroad for any length of time.
- ☐ They should have very close contacts with experts — especially government experts — in their own and in the host country to enable them to make maximum use of all the available knowledge.
- ☐ Before any large-scale project is tackled, it is advisable to ask some neutral institutions, not primarily interested in making money, to submit preliminary studies.

☐ The activities of the advisers should be continually controlled by the client. Provided such supervision is ensured, the choice of the advisers may be left to the firm.

☐ Incentives which enable the consulting firm prematurely to discontinue work on a project which cannot be justified economically (to be discussed in this connection would be such points as partial compensation for loss of revenue, first refusal for any follow-up orders and the like).

☐ The introduction of true competition through unlimited invitations to tender.

In this way it would be possible to make consulting a meaningful instrument of development policy. Any attempt, however, to overcome the crisis in the consulting business merely by giving consultants more government commissions without previously eliminating the causes of failures would certainly be a mistake.

Mexico's Demand for Business Education

by Dr J. Barton-Dobenin and Dr R. A. Lynn, Manhattan, Kansas *

Higher education for business has undergone dramatic changes in the past decade, not only in the industrialised nations but also in the developing countries. The following article analyses these changes, taking the case of Mexico.

In the United States the movement has featured an analytic decision-oriented approach based on increased use of the behavioral sciences and quantitative approaches. In Europe, recognition of the value of management education has led to the development of numerous business programs and schools of business administration¹. For developing nations the importance of collegiate business education is especially strategic. For economies to develop, there must exist entrepreneurial motivation and ability to develop other resources. Therefore, management education is a key to economic growth. In addition, economic growth is necessary if the other parts of higher education are to bear real fruit. A poor country with unemployed intellectuals is unlikely to accomplish positive results. Without a productive base, other desirable reforms are doomed to futility².

This report considers the nature, development, impact, and implications of collegiate higher education for business in Mexico. Among the developing nations, Mexico has the advantages of an

extensive tradition of higher education and a growing industrial base. It can show the path for newer nations to follow. It can also point out some problems to avoid. Besides study of documents, this report is based on a tour of ten Mexican universities³.

Higher education in Mexico has generally followed what may be termed the "classical" or "scholastic" tradition. Education passes the wisdom of the ages along to students. Students in turn are expected to learn and absorb, but they are not usually encouraged to examine and criticize.

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¹ Alan B. Coleman and Dan Throop Smith, *The Renaissance of Foreign Business Schools*, The MBA, March, 1968, pp. 21-25.

² Richard N. Farmer and Barry M. Richman, *Comparative Management and Economic Progress*, Homewood, Ill., 1965, pp. 74-108.

³ The following universities were visited by the authors: Instituto Tecnológico y de Estudios Superiores de Monterrey, Universidad de Nuevo León, Universidad Autónoma de Guadalajara, Universidad de Guadalajara, Universidad Michoacana de San Nicolás de Hidalgo, Universidad Autónoma de San Luis Potosí, Universidad Autónoma de Puebla, Universidad Veracruzana, Universidad Iberoamericana, Universidad Nacional Autónoma de México.

A Costa Rican professor who taught both Mexican students at the National University in Mexico and American students at Mexico City College noted the difference between the two groups. When she said, "Buenos Dias" to the first group, they wrote it down in their notebooks; when she said "Good Morning" to the second group, someone usually asked what was so good about it⁴.

This passive role for students is based on two main factors. First is the nature of the traditional curriculum studied. Mexican Universities have tended to stress the classical professions such as law and theology. In these fields change is not rapid, and there is an authoritative tone that is consistent with not inviting discussion. The second point is the fact that elite groups have played a major leadership role in Mexico's business and professional life. Sons from the leading families in society have known that they would ascend to control positions automatically, and only these students went to college. They have had no incentive to question any part of the "system", and they have felt no need to compete as a means of raising their status in it⁵. The essence of the philosophy is education for education's sake. While this may represent an admirable goal, it leaves a lot of room for study of the practical arts that can raise productivity.

The Educational Structure

The educational system of Mexico follows a path that is generally like that of the United States and Europe. The pre-college program uses 12 years beyond kindergarten (Jardin de Niños). The typical baccalaureate (licenciatura) program, however, uses five years, rather than four. This is compensated for by the compression of doctoral work into one year beyond the Master's.

Within the five year bachelor's degree program a striking feature to the American observer is the rigid demarcation between colleges within the university. A student in the school of business studies only business courses; a student in the school of liberal arts, law, etc., will take only courses offered by these faculties. Thus despite the opportunity offered for both greater breadth and greater depth by the five year curriculum, the chance for breadth has been given up. The effect of this is to force any inter-disciplinary effort in the school of business to be assumed by the business faculty itself. The prospects for making this happen will be considered below. Also treated below is the way in which the chance for greater depth is used.

Collegiate business education in Mexico is in a period of rapid growth, as the need for this type of emphasis is being recognized.

Taking the growth pattern in Mexico of Accounting and General Business Curricula as an example, the striking fact here is the rapid rate of expansion in the number of programs during the past two decades, and particularly during the 1960's. This suggests that the present period is a singularly appropriate one for analysis of program content and objectives. If a few programs serve a few students, little harm is done even if material taught is inappropriate. With the larger numbers, however, a great deal is at stake.

Growth in business programs is based on demand for business graduates. Starting monthly salaries in 1969 and 1970 were US \$ 317.00 and US \$ 367.00, respectively. This is the highest starting pay received by Mexican university graduates with the bachelor's degree in any field⁶. On the other hand, at the graduate level little is done in business. Only the University of Mexico and Monterrey Tech have Master's programs of any size. Doctoral work is not available.

Business Curriculum

If one analyses the balance between the various fields of study in selected Mexican universities, one comes to the conclusion that the courses offered are typically all required. That is, students go through a specific required list of courses. There are only a few electives and these are found only in rare cases. Among the points that are most significant is the large stress placed on accounting, even for general business majors. Law, too, receives far more emphasis than in most institutions in the United States. These points of emphasis reflect in part the longer established nature of accounting and law, as opposed to "younger" fields such as marketing or finance. Perhaps even more they reflect the nature of the faculty, as a later section will show.

The very small emphasis placed on the humanities appears to be a major price paid for the requirement that business students study only in the school of business. Since the vital behavioral sciences are placed in this category, there are serious limitations imposed on the curriculum by this policy. Perhaps a greater development by business faculty of expertise in the liberal arts could compensate for this situation. But because of faculty factors which will be considered below, this may be very hard to accomplish.

⁴ Robert B. Young, *The Culture of Mexico*, in: *Business in Mexico*, Mexico City, 1968, pp. 10-18.

⁵ Terrance Cullinan, *Management Education and Recruitment in Latin America: An Environmental Perspective*, in: *Management International Review*, March 1970, pp. 61-71.

⁶ American Chamber of Commerce of Mexico, *Survey of Salaries and Benefits among Manufacturing and Service Enterprises*, 1970, p. 8.

Even within business there are notable omissions of work that would seem relevant to Mexico. Business and Society, Investments, Insurance, Personnel Management, International Business, and Business Research are left out completely, or have only token representation as parts of other courses. When these fields are added to the omitted work in history, political science, literature, psychology, and sociology, the list of areas left out is very large.

Greater depth within business would appear to be the chief advantage gained by the five year bachelor's program and the omission of liberal arts subjects. On the basis of interviews with faculty in many Mexican universities it has to be concluded that this advantage is not realized. Material is not usually covered in greater depth; it is merely covered at a more leisurely pace. There is also considerable repetition. A given text, such as the Spanish edition of Koontz and O'Donnell's introductory management work, may be used in as many as three courses totaling nine hours of credit. The same practice applies in accounting courses. In summary, the business curriculum as presently set up promotes a less than optimal use of resources. It would even be fair to say it is a waste. It certainly does not provide an adequate foundation for the sort of management understanding that the business leaders of an expanding nation will need.

Business Faculty and Administration

The nature of the faculty forms the heart of the university. In Latin America professors have traditionally received only nominal pay, using the status of their positions for a staging point for political and business activities⁷.

In Mexico a vast majority of business faculties and administrators observed had outside employment that occupied a major portion of their time and effort. Much of the outside work was in law and accounting, and the relative ease with which practitioners in these fields can be recruited for teaching accounts in large part for the heavy emphasis on law and accounting in the curriculum. The fact that faculty and administrators are only part time workers means that the role of the "office señoritas" is major. These ladies are the ones who are on the scene and who have the information — and who often run the school.

The advantage of this part-time policy is that it is inexpensive. The salaries of selected personnel at one Mexican university in US dollar equivalents

are as follows: The Rector (equivalent to President) earns \$ 560 per month or \$ 6,360 per year. A half-time professor gets \$ 270 per month, or \$ 3,240 per year, whereas a full time professor earns only \$ 448 per month or \$ 5,376 per year, respectively. In comparison, the salaries of management personnel in business are much higher. The consequences of the system are serious. There is limited interest in teaching. Preparation is poor; some instructors read the textbook aloud in class. There is no research, and almost no original writing of textbooks based on Mexican business. Furthermore, there is limited interest in changing the curriculums; in fact there is opposition to doing so, and it seldom happens. New courses and fields will not emerge, even if students need them.

Conclusions

The recent rapid expansion of collegiate education for business in Mexico can have far-reaching advantages in the future. Properly managed, this educational effort can be a valuable investment in human capital which will influence economic growth favorably in coming decades. At this point in time there is a need to regard business education as an investment, even though it is less tangible than new plants and skyscrapers.

Several needs are apparent. First is the need to encourage more students, especially those who do not work, to go to school full time. Grants could accomplish progress here and this would be a worthwhile investment. Very basic is the need to get a group of full time business faculty whose primary commitment is to education. A full time professional faculty can consider needed curriculum innovations which the present part-time personnel do not. Such a faculty can also begin to write texts and other materials that can relate management to the environment of Mexican business. In time the schools can also contribute to the continuing education of management personnel. This type of activity is an important one for American business schools, as managers seek to keep up with the new techniques. As Mexican schools advance their own command of modern concepts, they too can make a vital contribution in this field. At present only one institution, Instituto Tecnológico de Estudios Superiores de Monterrey, makes an effort in the management services-continuing education area.

Business schools offer a bright promise to Mexico, and through the right sort of planning now, this promise can be realized. But they must assume a leadership role rather than to continue to persevere in their passive "modus vivendi".

⁷ Terrance Cullinar, op. cit., p. 62. American administrators, of course, can cite cases where faculty consulting takes more time than teaching and research.