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MERCURY MEETS MINERVA.

# MERCURY MEETS MINERVA

*Business studies and higher education*  
THE SWEDISH CASE

Lars Engwall

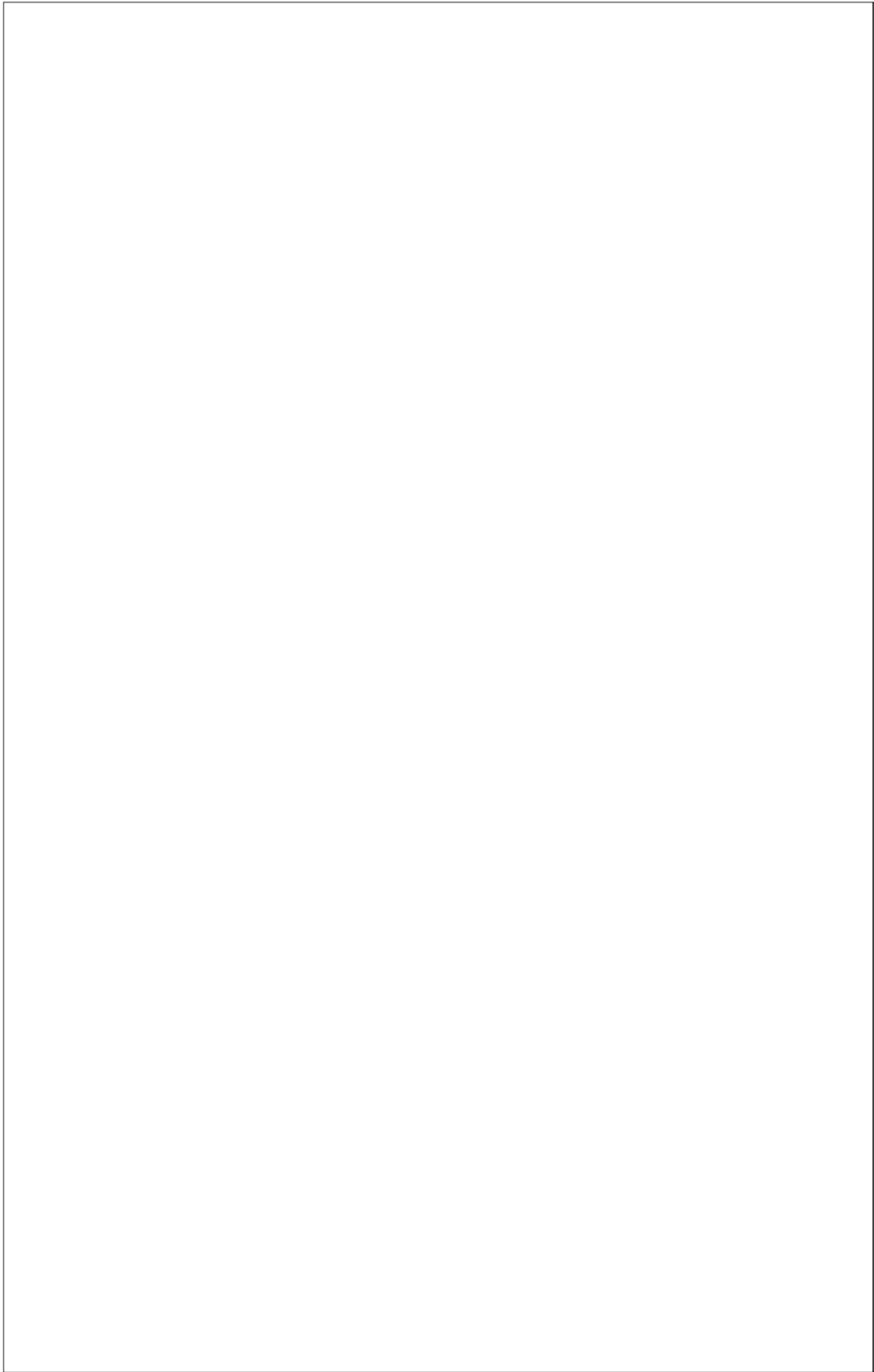
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EFI THE ECONOMIC RESEARCH INSTITUTE



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THE SWEDISH CASE

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## *Contents*

LIST OF FIGURES	VIII
LIST OF TABLES	IX
ABBREVIATIONS	XIII
PREFACE TO THE SECOND EDITION	XV
PREFACE TO THE FIRST EDITION	XVII
<b>1 INTRODUCTION</b>	<b>1</b>
1.1 Mercury in the modern world	1
1.2 The development of universities	3
1.3 The development of new institutions	4
1.4 The scope of the discipline	9
1.4.1 <i>Accounting and finance</i>	12
1.4.2 <i>Managerial economics</i>	13
1.4.3 <i>Pricing</i>	15
1.4.4 <i>Marketing</i>	15
1.4.5 <i>Work organisation</i>	16
1.4.6 <i>Purchasing</i>	18
1.4.7 <i>Conclusions</i>	19
1.5 An analytical framework	20
1.6 Outline of the book	23
<b>2 INSTITUTIONS</b>	<b>27</b>
2.1 Early attempts	27
2.2 The Stockholm School of Economics	30
2.3 The Gothenburg School of Economics	35
2.4 University departments	38
2.5 Other institutions	41
2.6 Conclusions	44
<b>3 CURRICULA AND SYLLABUSES</b>	<b>49</b>
3.1 Basic considerations	49
3.2 A focus on financial flow problems (1909–27)	54

3.3	Greater emphasis on marketing (1927–39)	57
3.4	Specialisation (1939–67)	62
3.5	Later modifications (1967–85)	70
3.6	Conclusions	72
<b>4</b>	<b>SCREENING OF PROFESSORIAL CANDIDATES</b>	<b>77</b>
4.1	Introduction	77
4.2	Practical experience as a qualification (1909–1932)	80
4.2.1	<i>The evaluation committees</i>	80
4.2.2	<i>Criteria for selection</i>	80
4.3	The struggle between accounting and managerial economics (1933–56)	82
4.3.1	<i>The evaluation committees</i>	82
4.3.2	<i>Criteria for selection</i>	83
4.4	Away from microeconomic theory and towards organisation theory (1957–68)	86
4.4.1	<i>The evaluation committees</i>	86
4.4.2	<i>Criteria for selection</i>	89
4.4.2.1	<i>Links with practice</i>	89
4.4.2.2	<i>Scale and scope of competence</i>	91
4.4.3	<i>Conclusions</i>	93
4.5	Towards a multi-faceted discipline (1969–85)	93
4.5.1	<i>The evaluation committees</i>	93
4.5.2	<i>Criteria for selection</i>	95
4.6	The period as a whole (1909–1985)	97
4.6.1	<i>The evaluation committees</i>	97
4.6.2	<i>Criteria for selection</i>	99
4.7	Conclusions	101
<b>5</b>	<b>BUSINESS GRADUATES AND THE JOB MARKET</b>	<b>103</b>
5.1	Introduction	103
5.2	The demand for business education	104
5.3	The demand for business graduates	110
5.4	Business graduates in management positions	119
5.5	The development of a market for business graduates	122
5.6	Conclusions	125
<b>6</b>	<b>POSTGRADUATE STUDIES</b>	<b>127</b>
6.1	The doctoral programme	128
6.2	Tutors	133
6.3	Opponents	135
6.4	Research problems addressed	139
6.5	Frames of reference	142
6.6	Methods used	146
6.7	Doctors of business administration and the job market	149
6.8	Conclusions	151

7	FOREIGN INSPIRATION	153
7.1	Before the present century	154
7.2	Foreign prototypes	157
7.3	Recruitment of professors	159
7.4	Study tours	164
7.5	Literature	169
7.6	Conclusions	172
8	CONCLUSIONS	175
8.1	Control strategies	175
8.2	The development of the discipline	179
8.3	A modern Latin	182
9	WHAT HAPPENED NEXT?	187
9.1.	Introduction	187
9.1.1.	<i>Points of departure</i>	187
9.1.2.	<i>Business administration as a discipline</i>	188
9.2.	Institutions	191
9.3.	Curricula and syllabuses	194
9.4.	Professors	198
9.5.	Business graduates and the job market	203
9.6.	Postgraduate studies	206
9.7.	Foreign inspiration	209
9.8.	Concluding discussion	213
APPENDIX 1	Swedish professors in business administration 1910–2007	217
APPENDIX 2	Methodological appendix to Chapter 6	227
APPENDIX 3	Swedish dissertations in business administration 1950–2007	229
NOTES		283
	Notes to chapter 1	283
	Notes to chapter 2	286
	Notes to chapter 3	290
	Notes to chapter 4	295
	Notes to chapter 5	296
	Notes to chapter 6	300
	Notes to chapter 7	302
	Notes to chapter 8	304
	Notes to chapter 9	305
REFERENCES		307



*List of Figures*

1.1	A model of the firm	11
2.1	Departments and chairs in business administration 1909–1985	44
9.1.	The integration of scientific disciplines	189
9.2.	A model for the diffusion of management ideas	190
9.3.	Number of freshmen students in Swedish business education 1984/85–2001/02	203

## *List of Tables*

1.1	Some early institutions for academic business studies	6
1.2	Basic problems in the modern business enterprise	11
1.3	Organisational control strategies	20
2.1	Chairs of business administration in Sweden in 1985	45
2.2	Five epochs in Swedish business administration	46
3.1	Structure of the syllabuses at SSE 1909–27	54
3.2	Structure of the syllabuses at SSE 1927–39	59
3.3	Special courses at SSE, 1957 curriculum	68
3.4	Accounting tuition at SSE and GSE 1909–82	74
4.1	Categories used in the classification of evaluators	79
4.2	Evaluation committees 1909–32	81
4.2	Evaluation committees 1909–32	83
4.4	Evaluation committees 1957–68	87
4.5	Evaluation committees 1969–85	94
4.6	Type of evaluators in different institutions 1909–85	98
4.7	Location of chairs and origin of insiders (per cent)	99
5.1	Graduation figures for SSE and GSE 1911–55	106
5.2	Business, law and engineering degrees awarded in Sweden 1911–55 (per cent)	107
5.3	Business, law and engineering degrees awarded in Sweden 1956–85 (per cent)	109
5.4	Distribution of positions of early graduates	110
5.5	Job surplus in the Alumni Association placement service 1938–49	111
5.6	Business graduates in manufacturing 1927–58 (per cent)	112
5.7	Density of business graduates in manufacturing in the 1950s	114

5.8	The first jobs of the business graduates 1931–50	114
5.9	Employment of business graduates 1913–58	115
5.10	Employment of business graduates 1960, 1970, 1980	117
5.11	Functions of business and engineering graduates in Swedish industry in 1966, 1970 and 1974.	118
5.12	Number of business graduates per 1,000 salaried employees in Swedish industry 1974	119
5.13	Education of Swedish top managers in 1987	122
6.1	Distribution of theses over time	130
6.2	Characteristics of the business administration doctors with the new doctorate	131
6.3	First degree of the doctors	132
6.4	Tutor position by period	134
6.5	Opponent position by period (per cent)	136
6.6	Opponent origins by period (per cent)	137
6.7	Home institutions of opponents and defendants	138
6.8	Problem areas addressed in theses by period (per cent)	139
6.9	Problem area of theses by institution (per cent)	141
6.10	The most frequent significant words in the author responses to the survey question on problem areas for research	142
6.11	References mentioned more than three times	143
6.12	Top reference by period	145
6.13	Objects of research by period	147
6.14	Data collection methods by period (per cent)	147
6.15	The most frequent significant words in the authors responses to the survey question on data processing methods	148
6.16	Data processing methods by period (per cent)	149
6.17	Positions after completion of postgraduate education	149
6.18	Geographical movements of business doctors	150
7.1	Business schools mentioned in three Swedish business journals at the turn of the century	157
7.2	Space devoted to schools operating in other languages in the evaluation reports	158
7.3	Holders of chairs in 1985 with a Ph.D. from the United States	164
7.4	Destinations for study tours made by SSE business students 1910–85 (per cent)	165

## LIST OF TABLES

XI

7.5	Relations between number of study trips to the United States and Europe in different problem areas	167
7.6	Study tours by SSE students 1910–85 by main areas of study	168
7.7	Origin of textbooks in business administration at SSE 1909–85 (per cent)	169
7.8	Language of theses	170
7.9	Nationality of the three most important references in the theses	171
9.1.	Swedish business programmes 1984–2000	194
9.2.	Swedish business programmes in 1999/2000 according to type	195
9.3.	Swedish professors in business administration 1910–2007	200
9.4.	Institutional profiles of the Swedish professors in business administration 1910–2007	201
9.5.	Degree of establishment on the labour market one year after exam 1994–2002 (%)	204
9.6.	Background of Swedish top managers 1944, 1956, 1972 and 1994	205
9.7.	Relative success of graduates in top management 1944, 1956, 1972 and 1994	206
9.8.	Six decades of Swedish dissertations in business administration	207
9.9.	Institutional profiles of the Swedish dissertations in business administration 1950–2007	208
9.10.	References occurring among the first ten in the Nordic World sample 1981–1992 compared to the Scandinavian Journal of Management 1984–1992 and the theses 1950–1985	211
9.11.	Origin of the literature within different sub-fields in eight Nordic business schools	213



## *Abbreviations*

BTH	Blekinge Institute of Technology
CBS	Copenhagen Business School
CTH	Chalmers Institute of Technology
GSE	Gothenburg School of Economics
HB	Borås University College
HH	Halmstad University College
HiG	Gävle University College
HiK	Kalmar University College
HJ	Jönköping University College
HKr	Kristianstad University College
HV	University College West
KaU	Karlstad University
KTH	Royal Institute of Technology
LBS	London Business School
LiU	Linköping University
LU	Lund University
MdH	Mälardalen University College
MU	Mid University
ÖU	Örebro University
SEK	Swedish crowns
SFS	The Swedish Statute-Book
SH	Södertörn University College
SLU	Swedish University of Agricultural Sciences

- SOU Government Committee Reports  
SSE Stockholm School of Economics  
SU Stockholm University  
UmU Umeå University  
UU Uppsala University  
VxU Växjö University

Quotations from Scandinavian works have been translated from the original.

## *Preface to the second edition*

Mercury Meets Minerva was first published in 1992. Although it has been out of print for a number of years it is still used in different contexts, particularly in doctoral programmes. The Director of the Economic Research Institute Dr. Filip Wijkström therefore in a conversation at a conference suggested that a new edition ought to be published. As author this was of course both an interesting and challenging proposal.

When the book was first published it was the result of a research programme that started in the late 1970s. At the time there was a growing interest among Swedish scholars of business administration about the historical development of their discipline. For my own department at Uppsala University this interest was manifested through a seminar in 1979 at the occasion of the seventieth birthday of the first modern business administration professor at Uppsala, Sune Carlson. He was asked to invite one senior professor from each of the other three Nordic countries. As a result Carlson himself, and his invitees (Jaakko Honko from Helsinki, Olav Harald Jensen from Bergen and Arne Rasmussen from Copenhagen) provided views on the development of the discipline in the four countries. Eventually their contributions supplemented with two other papers became a book entitled *Företagsekonomins rötter* (The Roots of Business Administration; Engwall, 1980).

A further step in Uppsala for the research in the area was a research programme entitled “Företagsekonomins utbredning” (The Diffusion of Business Administration). It resulted in two doctoral dissertations, which dealt with the time before and after the foundation of the Stockholm School of Economics, respectively (Gunnarsson, 1988 and Wallerstedt, 1988). The findings in these



and those of a number of studies of my own paved the way for the publication of *Mercury Meets Minerva* in 1992.

The Uppsala research on the history of business administration did not end with *Mercury Meets Minerva*, however. Contacts with foreign colleagues thus resulted in edited volumes comparing the development in various countries (Engwall and Gunnarsson, 1994 and Engwall and Zamagni, 1998; Kipping, Engwall & Úsdiken, 2008) as well as a paper on the background of Swedish CEOs (Engwall, Gunnarsson and Wallerstedt, 1996). For the Swedish audience an edited volume on the pioneers of Swedish business administration was published in 1995 (Engwall, 1995c).

The collaboration with foreign colleagues eventually led to the research programme “The Creation of European Management Practice” (CEMP) financed by the European Union. The basic idea in this project was to analyze the processes of convergence in practice, academia, consulting and media as well as how different fields influenced each other (for a summary, see Engwall and Kipping, 2006).

The above implies that not only the development of the discipline has been going on still further. It also means that additional research has been carried out both in Uppsala and at various other institutions. There are therefore reasons to elaborate on both the advancement of the discipline after the early 1990s and the outcome of the later research. This will be done in a new chapter following the original text, which is reprinted according to the original. In this way it is a hope to provide modern perspectives on the earlier text.

I am grateful to all my colleagues in the research projects mentioned above for stimulating discussions and collaboration. My thanks of course also go to Filip Wijkström, the Economic Research Institute for the initiative and willingness to print this new edition of *Mercury Meets Minerva* and to Helena Lundin for professional editorial work.

## *Preface to the first edition*

In the Department of Business Studies at Uppsala University a research programme on the development of business administration has been running for more than a decade. During this period a number of studies have been undertaken, the results of which have now been brought together in English in the present volume. Earlier books in Swedish associated with the project are Engwall (1980), Brunsson (1981), Gunnarsson (1988) and Wallerstedt (1988). In addition to the project leader, Elving Gunnarsson and Eva Wallerstedt have made a particularly valuable contribution to the project. Chapter 7 in the present volume is the result of collaboration between the three of us. Others who have been involved to varying degrees over the years, and whose contributions are recognized with gratitude are: Nancy Adler, Nils Brunsson, Olof Erland, Margaret Gottlieb, Elisabeth Hallmén, Ann-Marie Holmquist, Lee Jong-Woo, Sven Jungerhem, Mohammad Latifi, Bertil Markgren and Rolf Marquardt, Christer Olofsson and Agneta Stark. As well as present members of the Department of Business Studies, the following have made valuable comments: Rolf Adamson, Sune Carlson, Urban Dahllöf, Paulsson Frenckner, Christopher Grey, Hugh Willmott, Björn Wittrock and anonymous referees. The research has been supported by grants from the Swedish Council for Research in the Humanities and Social Sciences, Tore Browaldh's Foundation, Oskar Sillén's Foundation, Ruben Rausing's Foundation for Research in Entrepreneurship and Innovations, and Jacob Wallenberg's Foundation. Their support is acknowledged with gratitude.



# 9

## *What happened next?*

### 9.1. INTRODUCTION

#### **9.1.1. Points of departure**

The concluding eighth chapter of *Mercury Meets Minerva* provided conclusions as well as perspectives for the future. As the book is now published in a new edition we face the same question as the Finnish author Tove Jansson, who in the mid-sixties published a children's book entitled *Hur gick det sen?* (What Happened Next?, Jansson, 1965). A particularly interesting question is of course to see to what extent the thoughts in the 1992 edition regarding the future have come true. Regarding this issue it was argued in Chapter 8 that scholars of business administration should be optimistic about the future, since the concepts of the discipline appeared to have become a modern *Lingua franca* spoken by a steadily growing number of people. As a result a self-reinforcing process was to be expected: i.e. the more students that study business administration, the more will follow in order to be able to survive in modern organizations be they corporations, boards of local soccer teams or housing cooperatives.

This chapter will provide evidence that there is considerable substance in the views expressed in the 1992 edition. Business administration has indeed experienced a remarkable expansion since the early 1990s. It will be demonstrated that the number of academic institutions engaged in business administration has grown as have the number of professors and the number of students and graduates, both in Sweden and in other countries. At the same time there has been an increasing professionalisation and internationalisation of the discipline. As regards the latter it will be shown that the marked tendencies towards an increasing Americanization have been reinforced.

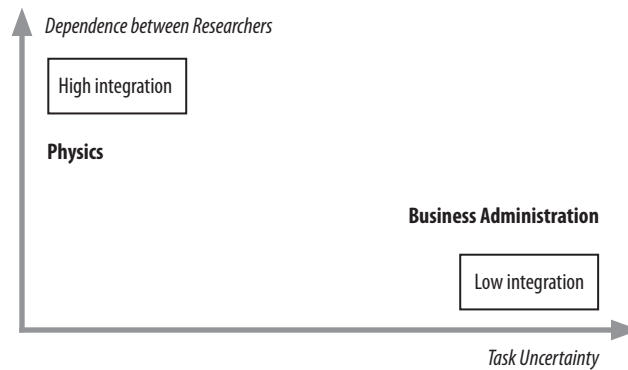
The chapter will provide new evidence on the topics covered in the original volume. As the Preface indicates this will include both a presentation of new research results as well as new data on the development since 1985 when the original edition was published. In order to put the discipline and its development in a wider perspective the introductory section will present some basic features of the discipline.

### **9.1.2. Business administration as a discipline**

In presenting the analytical framework of the book Chapter 1 referred to the British sociologist Richard Whitley and his analysis of the organization of sciences has shown (Whitley, 1984b). If we recall his arguments they imply that the organization of the sciences is dependent on two basic variables: (1) the interdependence between scholars in a field, and (2) the task uncertainty facing the scholars in their work. Based on these variables and the exclusion of nine impossible cases he identified seven ideal types. These can also be seen as cases of varying disciplinary integration, of which there are two extremes: the conceptually integrated bureaucracy and the fragmented adhocracy (Figure 9.1). In the first type of disciplines scholars are closely linked to each other. They also know what to do and how to do it. The other types of disciplines have almost opposite characteristics: scholars are loosely coupled and undertake a wide variety of tasks with different methods. As two extreme cases Whitley mentions physics and management (business administration). Thus his reasoning indicates that the discipline in focus of this book is extremely weakly integrated.

Although Whitley's analysis may seem reasonable enough it must be pointed out that it is not based on empirical data but rests on theoretical arguments. It is therefore relevant to make a test and see whether his classification of business administration is reasonably correct. One such test is to estimate and compare the parameter of integration in distributions of citations in different disciplines. Such an analysis was presented for some disciplines already in the 1950s by the Nobel Laureate Herbert Simon (1955), who presented the following parameter values: mathematics 0.92, chemistry 1.43, history of physics 1.64 and economics 1.69. Since low values indicate high integration, these figures imply that mathematics is more integrated

Figure 9.1. The integration of scientific disciplines

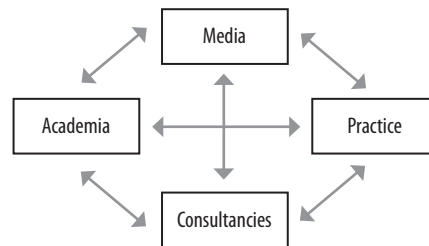


than chemistry, which, in turn, is more integrated than history of physics. Economics, finally, is the least integrated of the four disciplines investigated. Since business administration according to Whitley is less integrated than economics, a confirmation of Whitley's reasoning would require estimates from the former field to be above 1.69. As a matter of fact a study of the citations in the *Scandinavian Journal of Management* for the period 1984–1992 (Engwall, 1995a) has showed this to be the case. The parameter value was estimated to 1.89. However, it was also demonstrated that there was a tendency towards more integration: the estimate for the period 1984–1988 was 2.10, and had dropped to 1.80 in the period 1989–1992.

Thus we can conclude that the discipline has a relative low degree of integration but also that the integration is increasing. It is therefore appropriate to consider the processes behind such an increasing integration. For this purpose Figure 9.2 points out that the field contains four significant sub-fields in interaction: Practice, Academia, Consulting and Media.

Using new institutional theory (see e.g. DiMaggio & Powell, 1983) we can argue that there are different forces towards uniformity. There are coercive forces (laws and other rules), normative forces (professional norms) and mimetic forces (dispositions for imitation). Particularly the latter appears to have become strong in modern society with its tendency for organizations to imitate larger and more visible counterparts. Using this framework we can point to

Figure 9.2. A model for the diffusion of management ideas



tendencies towards uniformity in all four fields. First, in Practice we may note that companies are following each other, not only in pricing as the theorists of oligopolistic markets pointed out long ago (Chamberlin, 1933 and Robinson, 1933). It is also true for product design, organizational solutions, management principles, etc. The same thing also goes on in the other sub-fields. In Academia business schools are looking at prestigious units both nationally and internationally. In Consulting large and famous firms provide the role models for the smaller ones and in Media successful journals and networks are inspiring less successful ones. Thus already within the four subfields there are forces of convergence. As the subfields are linked together as shown in Figure 9.2 these forces are becoming even stronger. Academia, getting inspiration from Practice, then teaches their students and eventually sends them to Practice. Some of the students are taking the route via Consulting, whereby ideas from Consulting and Practice feed back into Academia. A few of them, after having gone through, what some labels “the graduates’ graduate school” of Consulting, become managers. Media, last but not least, is crucial for the diffusion of management ideas. Some of these are coming directly from Practice through popular management books; others are coming from Consulting and Academia. Eventually these publications are diffused to Academia, Consulting and Practice in a process reinforcing the convergence.

The above reasoning may lead to the conclusion that we should expect a process of convergence which eventually would lead business administration to move towards the north-western corner of Figure 9.1. However, although we are witnessing a process of convergence we should also realize that there are countervailing forces. The most

significant is the dynamics of Practice. It has been quite evident from the development particularly during the last century that Practice is continuously changing due to technical innovations but also that humans are sometimes behaving in unexpected ways. These circumstances should not be seen as a threat to business administration, however. Rather, they should be considered as another force that may stimulate the future interest for the discipline.

## 9.2. INSTITUTIONS

The first edition demonstrated already in the first chapter that business education spread rapidly at the end of the nineteenth century and the beginning of the twentieth century. A century later in 2008, when Harvard Business School is celebrating its centennial anniversary, the number of institutions offering higher education in business has exploded world-wide. In this process it is relatively clear that the American business school has become the role model for the rest of the world. The German *Handelshochschulen* were early on integrated into universities (Meyer, 1998). Nevertheless, the label (*handelshögskola*) is still widely used in the Scandinavian countries as a label both for autonomous institutions (cf. e.g. SSE, the Finnish schools in Helsinki, the Norwegian School in Bergen) and for some of the university-based schools (cf. e.g. GSE, Jönköping, Örebro and Umeå).<sup>1</sup> Translations are becoming more Americanized, however. For instance the school in Copenhagen nowadays calls itself Copenhagen Business School, and the school in Oslo has adopted the name Norwegian School of Management. At the same time it should be noted that American business schools differ from their European counterparts in an important respect. While many of those in Europe were founded as autonomous institutions and still remain so, their US-counterparts were usually from the very beginning integrated in the universities.<sup>2</sup> The explanation of this difference can be interpreted as the existence of lower barriers for new disciplines in American universities.

The survival of the concept of *handelshögskola* in the Scandinavian countries can be explained by the success of the early institutions. The label became a strong brand that many wanted to copy. This in turn is based on the specific characteristics of higher education as a product. It has four significant properties which make reputation



extremely important. First of all, incoming students can not know the contents of the education when they enrol. If they did, it would just be a waste of time to go through the education. Second, for the same reason, students do not return to an education they have finished. Third, students have difficulties to evaluate their education even after having gone through it. Fourth, graduates in their own interest are inclined to boost their education and therefore abstain from expressing criticism. Together these factors mean that students are relatively uniformed customers, who have to base the choice of educational institution on their reputation. As a result these institutions tend to be active in protecting and promoting their reputation (cf. Engwall, 2008). However, although various campaigns may add to the short-term positive image of an institution, the most important factors for reputation, besides history, are the alumni and their careers. Old institutions with many successful graduates will have considerable advantages in relation to those entering late with few graduates with uncertain records. Thus the old ones, like SSE and GSE, have in the vocabulary of Williamson (1985) “first mover advantages”.

In the same way as consumer guidance has become an important part of modern economies, in the last decades there have been efforts to inform students of the quality of higher education. First, it has become common among governments and other stakeholders to launch *evaluation schemes*. Special agencies, like the British HEFCE (Higher Education Funding Council for England) and The Swedish National Agency for Higher Education (*Högskoleverket*) have been given the task to evaluate the quality of education, and to point to excellence as well as inadequacies in the various programmes. Second, there is, particularly in business education, different systems of *accreditation* (see further Hedmo, 2004). In principle they imply a type of evaluation but differ from the compulsory government evaluations by being optional. Significant actors in this trade are efmnd (European foundation for management development) with its EQUIS system, AACSB (Association to Advance Collegiate Schools of Business) and AMBA (Association of MBAs). A third method of scrutinizing educational institutions is *rankings* (see further Wedlin, 2006). They can be considered as an intermediate form between the evaluations and accreditation. Like evaluations they are initiated by external actors, in most cases media, and can in certain versions be executed without the participation of the institutions. However, as

Wedlin (2006) has shown institutions, particularly the strong ones, are quite active in the process of designing ranking criteria. In addition certain rankings, like the one of the *Financial Times*, require the collaboration of institutions for data collection.

The development of these methods for scrutiny is of course closely related to a general trend, which Power (1997) calls “audit society”. In higher education it is also very closely linked to the general expansion in the number of institutions. This has been true world-wide since higher education has increasingly been considered as *the* key instrument in national as well as international competition. Sweden, no doubt, has been part of this expansionist process. Already in the first edition it was pointed out that a number of new academic institutions had been started in Sweden. Five (Karlstad, Linköping, Örebro, Sundsvall and Växjö) were founded as branches to the universities and eventually became regional colleges. With the passage of time they also developed into universities: Linköping in 1975, Karlstad, Örebro and Växjö in 1999 and Sundsvall in 2005.<sup>3</sup> In addition to the ten universities there are also fourteen additional regional university colleges in Sweden located in Blekinge (Karlskrona/Ronneby), Borås, Dalarna (Falun/Borlänge), Gävle, Halmstad, Jönköping, Kalmar, Kristianstad, Mälardalen (Eskilstuna/Västerås), Malmö, Skövde, Södertörn, Västra Götaland (Trollhättan/Uddevalla) and Visby. Recently there have been rather strong reactions against this rapid institutional expansion and the need for concentration has been advocated. Subsequently, in the last couple of years initiatives to merge some of the existing institutions in order to create larger units have been undertaken.<sup>4</sup>

When it comes to business education the ten universities and the fourteen university colleges have additional competition from the Stockholm School of Economics, the Swedish University of Agricultural Sciences and Luleå University of Technology. Thus in 2008 there were twenty-seven institutions offering academic business education. Since 1958, when business administration was introduced in the universities, the number of institutions offering this education has thus increased almost seven times from four to twenty-seven. In this way the six institutions in focus of the first edition are now offering fewer openings than the rest. Of the 5,200 openings in business programmes almost two-thirds were offered by their twenty-one competitors (Engwall & Jungerhem, 2005).

We can thus conclude that in terms of institutions there has been a considerable expansion world-wide, which has in turn reinforced the efforts to control their activities through different kind of monitoring procedures. In this way new selection processes are taking place. But although some new institutions have become insiders, older ones have become even more insiders through their first mover advantages. Hence, the less prestigious continue to copy the more prestigious ones by adopting their labels and habits, for instance *handelshögskola* or *ekonomihögskola*. Thus we can observe an ongoing homogenizing process, at least in terms of organizational features. As institutions for selection of elites the old ones still, nevertheless, enjoy clear advantages.

### 9.3. CURRICULA AND SYLLABUSES

As regards curricula the tendency of decentralisation that started in Sweden already in the early 1980s has continued. It was reinforced through reforms in the early 1990s, when new competitive elements were introduced in the system of Swedish higher education. From 1993 resources for higher education was thus distributed on the basis of the number of full-time equivalent (FTE) students and the number of FTE course completions per year. At the same time regulation became less strict giving institutions more freedom. This stimulated efforts to attract students through promotion and the creation of new programmes. As a result the number of programmes in business administration increased from 18 in 1984/85 to 84 in 1999/2000 (Table 9.1). Many of these had few openings, however: the average declined from almost 200 to around 60.

*Table 9.1. Swedish business programmes 1984–2000*

Academic year	1984/85	1991/92	1993/94	1999/2000
Number of programmes	18	27	60	84
Number of freshmen openings	3,575	2,915	4,213	5,203
Openings/programme	198	107	70	61

*Source:* Engwall & Jungerhem (2005, p. 93). For the original data, see Utbildningsdepartementet, statsliggaren 1984/1985, 1991/1992 och VHS skriftserie (1993–).

A closer look at the different programmes reveals that in terms of students the general ones still dominated in the academic year 1999/2000 (Table 9.2). More than half of the students attended such programmes, although they only accounted for one-fourth of the total number of programmes. Of the remaining programmes a large part had an international orientation, i.e. combining business studies with languages. In terms of number of programmes they accounted for almost one-third, which can be explained by a differentiation on a large number of languages. They enrolled about one-fifth of the students.

*Table 9.2. Swedish business programmes in 1999/2000 according to type*

Type	Openings	%	Programmes	%
General	2 844	55	23	27
International	915	18	26	31
Specialised	670	13	16	19
Science/Technology profile	528	10	13	15
Humanities/Social Sciences profile	246	5	6	7
Total	5 203	100	84	100

*Source:* VHS skriftserie (1993–).

The third category, the specialised programmes, was programmes directed towards areas such as “auditing and controlling”, “entrepreneurship”, “marketing”, and “logistics”. All in all, they were sixteen programmes, which accounted for 16 per cent of the programmes and 13 per cent of the students.

The fourth and fifth categories were programmes linked to the faculties of science and technology and the humanities and social sciences, respectively. In the first of these there were programmes directed towards industrial administration, information technology, mathematics and environment. The last group contained programmes focusing on art, culture and tourism.

A comparison between the different institutions reveals that the old institutions were more inclined to offer general programmes. The younger ones did not only offer more specialisation but also a larger number of programmes on average: 3.3 vs. 1.8 for the older ones. Such a difference could also be expected. In terms of marketing this is a matter of product differentiation, i.e. an effort

to offer a product that differs from the established and reputed ones. However, that does not necessarily imply that programmes are very different. The international programmes are based on the general programmes and differ from them only by their inclusion of a language. For the other programmes there are also reasons to believe that the specialisation is less than is indicated by their names. The main reason for this is that the faculties of these programmes have gone through traditional programmes and therefore could be expected to use their basic competence in their teaching.

Thus the 1990s suggested an increased decentralisation and opportunities for variation in the provision of programmes of business administration. But this decade also contained a significant feature of increasing homogenisation: the Bologna process. This goes back to a meeting in Paris in May 1998, where the Ministers of Higher Education in France, Germany, Italy and the United Kingdom signed a declaration to make the European national systems of higher education more compatible. At a meeting in Bologna in June 1999 this was followed by the signing of a document by 29 European countries, later on to be followed by an additional 17. As a result of this agreement a three cycle system – including a bachelor, a master and doctoral level – has been introduced in Europe. Furthermore, comparability is enhanced through quality assurance and the introduction of a system for recognition of qualifications and periods of study (ECTS) (Hedmo & Wedlin, 2008, pp. 120–123). In Sweden the Bologna process was manifested by changes in the Higher Education Ordinance (*Högskoleförordningen*) of July 1, 2007. As a result there are two exams in the spirit of Bologna: *kandidat* (bachelor) with three years of study and *magister* (master) with another two years of study. However, even before these changes there were already four years of study *magister* programmes, which were kept even after the changes of the Bologna process. Needless to say the existence of two exams with similar labels but of different length is a source of confusion. In the area of business education this confusion became even greater when the Swedish Government, after intense lobbying from the white-collar union *Civilekonomerna*, in November 2006 decided to introduce a separate four-year programme for business studies: *civilekonomexamen*. Most of the institutions (23) of those giving business programmes applied, while three (SLU, SSE and UU) abstained with reference to

the Bologna process. After a subsequent review of the applications only six institutions (GU, LU, SU, UmU, Linköping and Växjö) were considered to have the academic quality to be granted the right to award this exam (Andersson, 2007).<sup>5</sup>

The review of the applications for *civilekonomexamen* had been preceded by a national evaluation of all Swedish institutions of business administration (*Högskoleverkets rapportserie 2002:10R*). It stressed that the discipline is the second largest in the Swedish system of higher education, distanced only by mathematics, a supplementary subject to many other disciplines. As a result the evaluators had found certain imbalances between the number of students and faculty capacity, especially in the area of accounting and finance. Critical comments were particularly expressed regarding the academic standards at a number of the university colleges. The conclusions of the reviews of the applications for *civilekonomexamen* were thus very much in line with the earlier evaluation.

The decision to introduce *civilekonomexamen* relates indeed very well to the basic reasoning of the present book. It can be interpreted as another measure of exclusion as the number of institutions has grown considerably. In this way the position of the old ones are strengthened. At the same time the introduction of *civilekonomexamen* can be considered as a regression, since it refers to an old and peculiar title difficult to understand outside the Nordic markets. This may seem remarkable in a time of globalisation, when students have become more and more eager to have internationally transparent credentials. Already before the Bologna process they wanted to be able to translate their Swedish exams with the master label. This in turn had to do with the considerable expansion of the MBA, in the United States and later in other parts of the world. A similar development has occurred in Sweden, where at the turn of the century seventeen Executive MBA programmes were identified (Genell, 2000). Since then SSE has both launched and discontinued a full-time MBA.

The development summarized above is a direct effect of the growth of institutions delivering business programmes. In this way the capacity to admit students as well as the competition for them has increased. At the same time institutions have been given more freedom in designing programmes. Both the expansion and the deregulation stimulated segmentation, i.e. the design of different kinds of specialised programmes. Recent developments in the form

of the Bologna process and the introduction of *civilekonomexamen* constitute counteracting forces towards more standardisation.

#### 9.4. PROFESSORS

As the two previous sections have demonstrated there was a considerable growth both in the number of institutions and in the number of business students during the last decades of the twentieth century. However, it should be noted that a considerable feature of this expansion occurred through the creation of university colleges. In other words: new institutions were only partly admitted to this particular academic field of study. They were neither given chairs and block grants for research nor the right to establish doctoral programmes. This of course led to strong efforts to join the inner circle by creating research environments through other means. In this process support from local and regional sponsors were very important as well as funding through national bodies with the aim to finance applied rather than basic research. As mentioned above several university colleges applied for a university charter and some were also granted this enviable status, which in turn paved the way for the appointment of professors.

However, an even more significant change was changes in the rules for appointing professors through a process of deregulation and decentralisation. Traditionally in Sweden professors had been appointed by Government. This changed as of July 1, 1993 when universities were given the right to decide for themselves on these matters (Government Bill 1990/91:150). As a result some of the new institutions established chairs through collaboration with old universities. For instance Uppsala University created chairs, where the chair-holders had their main duties at the then University College of Örebro (see further, Lind, 2005, pp. 217–222).

Another significant feature of the traditional Swedish system of appointing professors had been that there had to be an opening through the retirement or death of a chair-holder or the creation of a new chair. As a result a number of very competent persons, who had the bad luck of being born too early or too late in relation to the openings, never had a chance to reach the professorial level. This changed in 1998 through a reform, which opened up the possibility for Senior Lecturers to apply for a promotion to professor

(SFS 1998:1003). In this way a significant number of persons have been promoted to professors in business administration. However, the promotions did not guarantee more time for research. In some universities this has been the case, in others it has not.

In scrutinizing the candidates for chairs and applicants for promotion the criteria of research excellence, as shown in the analysis in Chapter 4, has successively been strengthened. However, from the 1970s and onwards an increasing weight has also been put on the teaching capabilities of the candidates. More recently it has also been possible for the recruitment committees to interview the candidates. However, since the Swedish system has procedures of appeal, the deciding bodies have to ground their decisions on solid and usually precise formal criteria.<sup>6</sup>

In order to establish the development of the number of professors the list of chairs in Appendix 1 of the first edition has been updated with the assistance of the various Swedish institutions with activities in the field of business administration. The revised Appendix 1 thus contains a list of professors in business administration from 1909 to 2007 at the six institutions in focus in the first edition (GSE, LU, SSE, SU, UmU and UU) as well as the new universities and the university colleges. Like in the first edition the institutes of technology and the Swedish University of Agricultural Sciences have not been included.<sup>7</sup> The list also excludes part-time professors like visiting professors and adjunct professors. Consequently, it can be argued that the growth of professors in the field has been even stronger.

In 1985 (the final year for the analysis in the first edition) the total number of chairs was 20, to which 44 appointments of 33 persons had been made. Already these figures constituted a remarkable expansion from the two chairs in the 1920s. However, when we look at the development until the end of 2007 the growth is even more impressive. During the period 1909–2007 not less than 152 persons have been appointed to 182 professorships (Table 9.3 and the updated version of Appendix 1). The main part of these has occurred since the beginning of the 1990s: in the preceding eighty years there had been 57 appointments, i.e. on average less than one appointment per year. In the 1990s the corresponding figures were 46, i.e. almost five a year, and in the period 2000–2007 they were 79 i.e. almost ten per year. As a result the majority of the 152 appointees (130 or 86%) are still alive.



*Table 9.3. Swedish professors in business administration 1910–2007*

Decade	<1950s	1950s	1960s	1970s	1980s	1990s	2000s <sup>a</sup>	Total
Appointments	7	6	15	12	17	46	79	182
Chairs	100%	100%	100%	92%	88%	89%	70%	82%
Specialised Chairs	14%	33%	33%	33%	65%	67%	58%	55%
Female Holder	0%	0%	0%	8%	6%	13%	16%	12%
Internal Recruitment	14%	33%	40%	33%	53%	41%	41%	44%
Average Age	33.9	43.5	41.7	41.0	45.2	49.2	51.0	47.7

Footnote: <sup>a</sup>The figure refers to the period 2000–2007, only.

The largest number of appointments (45) has been made at SSE (Table 9.4). This is not only due to the fact that SSE was first but also that it has received a number of endowed chairs. Several of these are specialised. Chairs in accounting and finance have thus been financed by the auditing firms Bohlins, KPMG, Örhlings and the international firms of which they later on became part. Others were endowed in the names of various corporate friends of SSE: the Bonnier family (media), Stefan Persson (entrepreneurship and business development), Bo Rydin and SCA (strategy), Olof A. Söderberg (marketing), and Peter Wallenberg (international marketing). These chairs follow a tradition at SSE which started in 1946 with the first endowed chair, followed by the City of Stockholm chair in 1949 and the PA-Rådet chair in social psychology and personnel administration in 1956.<sup>8</sup> Thus SSE has over the years received about a dozen endowed chairs. Among the other institutions the endowed chairs have been less frequent. Stockholm and Uppsala have both received endowments for chairs in entrepreneurship from Leif Lundblad and Anders Wall, respectively. Lund has a Holger Crafoord chair in accounting and GSE an Erik Malmsten chair. Both Lund and GSE have also institutional arrangement to handle external contributions (EFL and GRI, respectively).<sup>9</sup>

Second to SSE in number (41) are the new institutions, for which the appointments are spread over fifteen universities and university colleges. Some of them have only made a few appointments, while Jönköping, Växjö and Mälardalen are on top with 9, 6 and 5, respectively. Early out was Jönköping in 1994 and 1995. The majority of the appointments were made after the 1990s, however.

*Table 9.4. Institutional profiles of the Swedish professors in business administration 1910–2007*

Institution	GSE	LU	SSE	SU	UmU	UU	New	Total
Appointments	27	21	45	18	11	19	41	182
Chairs	81%	62%	100%	67%	100%	63%	85%	82%
Specialised Chairs	63%	33%	67%	44%	73%	63%	44%	55%
Female Holder	15%	14%	4%	6%	27%	16%	12%	12%
Internal Recruitment	52%	57%	53%	28%	45%	58%	5%	40%
Average Age	45.9	46.0	45.7	51.3	46.5	49.9	49.6	47.7

For obvious reasons the early appointments regarded chairs only (Table 9.3). However, even in the period of promotions of lecturers in the 2000s the share of chairs was as high as 72 %, mainly because of the appointments at the new institutions. As shown in Table 9.4 SSE and UmU have not promoted professor and thus have chairs only. At the LU, SU and UU about one-third of the professors are promoted lecturers.

The specialisation was low in the early periods (around one-third or below) to rise to about two-thirds in the 1980s and 1990s as a result of the increasing specialisation of the discipline (Table 9.3). Specialisation varied with LU (33 %) on the low side and SSE (67 %) on the high side (Table 9.4). About one fourth of the specialised appointments (27) were in the accounting area with subspecialisations such as management accounting, accounting and auditing, financial management and management of immaterial resources. Another fourth occurred in the marketing area, half of them being even more specialised: industrial marketing, international marketing, service management, consumer behaviour, etc. A third traditional specialisation has been administration (11) with subfields as public administration and leadership.

In addition to the mentioned three traditional fields of specialisation there are also a number of more recent ones. The most popular one has been entrepreneurship. In this field the first appointment occurred at UmU in 1989 and was followed by another thirteen spread over the country. An additional expanding field is international business, in which there have been ten appointments, the first at UU in 1985. Besides the mentioned five areas, appointments have been made in economics of transport, industrial management,

industrial production, media (2), operations management, strategy (3), sustainable development, tourism and purchasing. No doubt, these tendencies for specialisation and sub-specialisation must be regarded as signs of the above mentioned counteracting forces against increasing integration of business administration.

It is quite evident that the discipline has a male dominated professoriate. Until 1985 there was only one woman (Solveig Wikström at LU) among the 44 appointees. She was appointed at LU in 1978, moved to SU in 1988, and remained the only female professor until 1990 when Barbara Czarniawska was appointed at LU. Since then eighteen additional appointments have been made, most of them after the 1990s.<sup>10</sup> This means a slowly increasing share of female professors from less than ten per cent before the 1990s to almost twenty per cent in the 2000s. The Stockholm institutions (SSE and SU) have low scores (4 % and 6 %).

For obvious reasons the internal recruitment was low before the 1950s (14%) but rose gradually in the following two decades (33 and 40 %). It declined in the 1970s (33%), and reached its peak in the 1980s (53%). Since then it has fallen back to around 40 % (Table 9.3). In the older institutions (GSE, LU, SSE and UU) the internal recruitment has been above 50 %, while SU and UmU show lower values (28% and 45 %, respectively). Among the new universities and university colleges internal recruitment, for obvious reasons, has been very low (5 %).

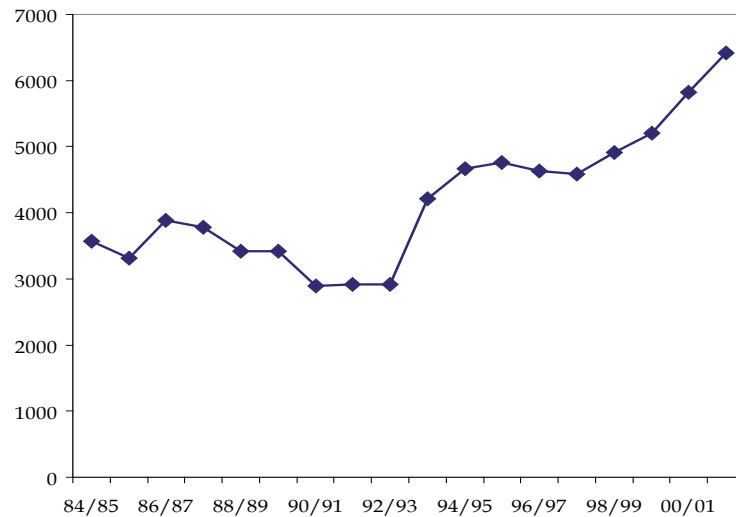
As a result of the low supply of competent candidates before the 1950s the average age was slightly over thirty (33.9, see Table 9.3). From the 1950s onwards it has been over forty, and in the period 2000–2007 even above fifty (51.1). The variations between the institutions around the average age (47.7 years) are low; SU being an exception with an average above fifty (Table 9.4).

The data presented points to six features of the recruitment of Swedish professors of business administration. First, there is again ample evidence of the expansion of the discipline, particularly in the 1990s and 2000s. Second, we have seen effects of the changes in regulation. Third an increasing specialization of the discipline has taken place. Fourth, there has also been an increase, although slow, in the recruitment of female professors. Fifth, according to the data the mobility is much higher than usually believed: even in the last period, when promotions occurred, internal recruitment was below forty per cent.

### 9.5. BUSINESS GRADUATES AND THE JOB MARKET

The considerable expansion of the Swedish system of higher business education demonstrated in the previous sections can also be seen in terms of output. Figure 9.3 shows that after some decline in the 1980s the number of freshmen increased fairly sharply during the 1990s. Between 1984/85 and 2001/2002 these figures increased from 3,500 to 6,400.

*Figure 9.3. Number of freshmen students in Swedish business education 1984/85–2001/02*



*Source:* Utbildningsdepartementet statsliggaren 1984/85–1992/93, VHS skriftserie (1993–) och SCB 1990:11.

In relation to these figures it should be noted that Swedish institutions of higher education has also incentive to bring the students through the system (cf. above Section 9.3). The target completion rate for their remuneration is 84 %. High admission numbers and high completion rates in the last decades mean that a large supply of business graduates has entered the labour market. Statistics Sweden in their 2006 Barometer for the Labour Force (Statistics

Sweden, 2006) verifies this. It even estimates that the number of business graduates will double in 15 years, if the present examination rate continues. They also stress that before 2020 retirements will be limited since most of the business graduates are young. Nevertheless, they declare that business graduates will be in demand in many industries, a prognosis which is consistent with other studies of the labour market for business graduates. A survey made by the white collar union *Civilekonomerna* (2007) reports, for instance, that business graduates find jobs relatively easy.<sup>11</sup> Similarly, a study from the Swedish National Agency for Higher Education (*Högskoleverket*, 2006) reports that business graduates have been consistently more successful after one year on the labour market than other graduates with an MA and a BA.<sup>12</sup> These higher success rates (Table 9.5, rows in italics) amount to close to or above ten per cent.

*Table 9.5. Degree of establishment on the labour market one year after exam 1994–2002 (%)*

Year	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
MA (B)	74	77	79	84	84	86	82	77
All MA	69	72	72	76	77	80	77	72
MA (B)/All	107	107	110	111	109	108	106	107
BA (B)	66	72	77	78	82	80	80	74
All BA	61	65	68	71	75	74	74	69
BA (B)/All	108	111	113	110	109	108	108	107

*Source:* Adaptation of Table 5 in *Högskoleverket* (2006, p. 29).

The higher success rates of business graduates on the labour market can be interpreted as an additional support of the idea presented in Chapter 8 that the diffusion of these graduates can be characterized as a self-reinforcing process, i.e. that the demand for persons with business degrees will increase with the number already employed. This process is also strengthened by three other tendencies. First, deregulation has stimulated increased efforts both to be customer oriented (cf. e.g. Normann & Ramírez, 1997) and to develop control procedures (cf. e.g. Power, 1997). These circumstances have motivated the hiring of more business graduates in order to strengthen marketing, organization and economic functions. Second, although we see a number of new ventures, large corporations constitute significant

actors in modern economies, and many of them tend to grow with subsequent needs for further administrative capacity. Third, a general competence increase in the labour force can be observed. Thus, as employees with an economic competence from secondary schools retire, they are likely to be replaced by business graduates.<sup>13</sup>

In terms of careers it was indicated already in the previous edition, that business graduates have been successful in reaching top management positions. In a subsequent study (Engwall, Gunnarsson & Wallerstedt, 1996) following up Sune Carlson's study from 1944 (Carlson, 1945) and the two earlier replications (Ohlsson, 1957 and Bolin & Dahlberg, 1975) it has been shown that business graduates have increasingly made it to the top (Table 9.6). While the business graduates in Carlson's study accounted for 12 %, the share had trebled in 1994. It was also clear that the academic background of the CEOs had become much stronger: 84 % to 52 % in Carlson's study. The engineering degrees have increased as well but not to the same extent, while law graduates which were on par with business graduates in 1944 had declined.

The success of the business graduates is even stronger for the thirty-six CEOs working in trade, finance and shipping in the 1994 cohort: 43 % in comparison to 22 % for engineering and 5 % for law. The corresponding figures in 1944 were 14 %, 7 % and 20 %. It is also clear from Engwall, Gunnarsson & Wallerstedt (1996) that in relation to the number of all graduates of a particular degree

*Table 9.6. Background of Swedish top managers 1944, 1956, 1972 and 1994*

Background	1944	1956	1972	1994
Business	12	20	27	37
Engineering	21	22	25	28
Law	13	20	7	7
Other Academic Degree	6	10	16	12
Total Academic Degrees	52	72	75	84
Grammar School	30	17	19	16
Other	18	11	6	0
Total	100	100	100	100
Sample Size	200	100	157	99

*Source:* Engwall, Gunnarsson & Wallerstedt (1996, Table 10.2). Data for 1944 from Carlson (1946), for 1956 from Ohlsson (1957), for 1972 from Bolin & Dahlberg (1994).

the business graduates had been particularly successful (Table 9.7). Already in 1944 they were relatively more successful than engineering and law graduates. Later on, particularly in 1972, their relative success rate had grown considerably.

*Table 9.7. Relative success of graduates in top management  
1944, 1956, 1972 and 1994*

Index (Top managers/1,000 degrees)	1944	1956	1972	1994
Business	185	234	294	236
Engineering	100	100	100	100
Law	90	132	66	64

*Source:* Engwall, Gunnarsson & Wallerstedt (1996, Table 10.6).

Of course there are variations between the twenty-seven institutions offering business education in terms of the success of their graduates on the labour market. To a significant degree these differences are, as pointed out in Section 9.2, related to reputation and “first mover advantages”. As a result students with excellent qualifications are likely to apply to institutions with high reputation (mostly the old ones), which in turn will raise the reputation even further.<sup>14</sup> Excellent students are coming together with other excellent students and are after their graduation greeted in the labour market by alumni of their institution.

In conclusion it appears that business graduates have continued to be successful on the labour market both in terms of entry after graduation and in terms of career success. It must, however, be pointed out that there are variations between institutions. Graduates of the old established institutions thus seem to benefit from the higher reputation of their Alma Mater. It is also likely that the relative success of business graduates to make it to the top will decline as a result of the high graduation rates in the last decades.

#### 9.6. POSTGRADUATE STUDIES

After the thesis defence of Nils Västthagen in 1950 another 269 persons had become doctors in the field of business administration at the end of 1985. Since then the number of doctors have almost trebled and at the end of 2007 it passed one thousand to reach a

total of 1,017 (see further the updated version of Appendix 3). Again it should be noted that this is a low estimate since we have excluded institutes of technology and the Swedish University of Agricultural Sciences. If also dissertations with a business administration orientation in these institutions had been included the growth of the Swedish academic competence in business administration would have been even more impressive.

An analysis of the dissertations (Table 9.8) once again underscores the strong development in the last decades. In the 1990s almost 300 persons defended their dissertations and for the first decade of the twenty-first century the figure is estimated to pass 500. An overwhelming majority of the dissertations have a single author. In the 1950s and 1960s this was the rule, but particularly in the 1970s a fair share (13%) was co-authored. In the following decades this has still occurred but has been much less frequent.<sup>15</sup> The joint authorships emerged in the late 1960s, when the old German-type of *Habilitation* was successively abolished and the new PhD-type of dissertation was introduced. Only 3% of the dissertations (33) are of the old type, the last ones (14) were defended in the 1970s. This decade also meant the first advance of female doctors in business administration. Their share was 5% in the 1970s and increased to 14% and 25% in the following decades to finally reach 36% in the period 2000–2007. Thus the examination rate of female business administration doctors is approaching 40%, which is generally considered to be the limit for equality of opportunity.

Table 9.8. Six decades of Swedish dissertations in business administration

Decade	1950s	1960s	1970s	1980s	1990s	2000s	Total
Doctors	5	14	167	144	282	508 <sup>a</sup>	1120 <sup>b</sup>
Joint Authorship	0%	0%	13%	3%	5%	1%	4%
Old Dissertation	100%	100%	8%	0%	0%	0%	3%
Female Author	0%	0%	5%	14%	25%	36%	24%
Financial Flow <sup>c</sup>	60%	29%	29%	24%	23%	25%	25%
English	40%	57%	33%	22%	38%	58%	43%

Footnote: <sup>a</sup> Estimate for the period 2000–2009 based on the number of dissertations in 2000–2007, which was 406.

<sup>b</sup> Figure based on the estimate for 2000–2009. The number of dissertations in 1950–2007 was 1018.

<sup>c</sup> Classification based on titles.



In terms of the contents of the dissertations there has been dominance for physical flow issues. Financial flow issues were at its peak in the 1950s, when 3 of the 5 dissertations had this orientation. After that they have represented about one-fourth. The bulk of the dissertations have instead been dealing with problems of organisation, marketing and strategy. In terms of their international orientation there have been variations. In the first two decades 40% and 57% of the dissertations were in English. This share fell to 33% in the 1970s and even to 22% in the 1980s. However, since then there is a rising trend of English in the dissertations: 38 % in the 1990s and 58 % in the 2000s. The latter figure thus implies a level which is similar to that in the 1960s. It certainly reflects an increasing internationalisation of the business administration research.

For obvious reasons the older institutions account for the bulk of the dissertations. The new universities and the universities have so far only examined 6 % of the doctors (Table 9.9). For the same reason SSE and GSE are also ahead of the other old universities. When it comes to authorships LU and UmU have been more apt to have joint authorships (12% and 15%, respectively), while the others show a rate of almost zero. LU has also more old degrees than other newcomers and is on par with the oldest institution SSE with 6%. On the other hand, LU is on the lower side as regards female authors, 16 % against about 25 % for the other older institutions. The new universities and the university colleges are clearly above the others (39%). However, as shown above the field as a whole is moving towards more equality.

Contentwise SSE has the largest share of dissertations dealing with financial flow issues (29%). Almost at the same level are GSE,

*Table 9.9. Institutional profiles of the Swedish dissertations in business administration 1950–2007*

Institution	GSE	LU	SSE	SU	UmU	UU	New	Total
Doctors of All	19%	14%	26%	16%	6%	13%	6%	100%
Joint Authorship	3%	12%	1%	3%	15%	2%	0%	4%
Old Dissertation	3%	6%	6%	1%	0%	2%	0%	3%
Female Author	22%	16%	22%	28%	27%	26%	39%	24%
Financial Flow	27%	25%	29%	27%	15%	20%	18%	25%
English	28%	30%	49%	43%	29%	60%	76%	43%

SU and LU, while both UmU and the new institutions have shares below 20 %. The latter, on the other hand, exhibit a larger share of dissertations written in English (76%), something which can be seen as a reflection of the general internationalisation found in Table 9.8 above. Among the older institutions UU is at top with 60 % followed by SSE (49%) and SU (43%). At GSE, LU and UmU about one-third of the dissertation were in English.

There is no doubt that the development of dissertations in business administration provides further strong evidence of the expansion of the field. Particularly in the last decades the old institutions have become more productive in their doctoral programmes at the same time as new institutions have been given the right to award doctoral exams. The old institutions are still dominating and are likely to do so for quite some time. In addition to the growth in doctor degrees we can also note that female doctors are becoming more common and that the tendency to communicate in English has increased since the 1980s. The focus on organization, marketing and strategy has been strong since the 1960s and onwards.

#### 9.7. FOREIGN INSPIRATION

Already at the time of the first edition it was evident that the inspiration and influences from the United States on Swedish business administration have been strong for quite some time. The strong German influence in the early years of the two Swedish business schools in Stockholm and Gothenburg started to decline already in the 1930s and it was more or less insignificant after the Second World War. Instead US business schools became role models, study tours were increasingly going across the Atlantic and the literature, both textbooks and in research, were more and more often written by authors from the United States. These trends have continued and have even been reinforced during the last decade of the twentieth century and the first decade of the twenty-first century.

As pointed out in Section 9.2, although the Swedish translation of the German *Handelshochschule* is still widely used in Scandinavia, American business schools have since long become a role model. This has been the result of the increasing contacts between Scandinavian and US faculty members but also of various projects of ranking and accreditation. A significant organization for

the latter has been the above mentioned European Foundation for Management Development (efmd) founded in 1971 with the support of the Ford Foundation. Its mission is to act as a bridge-builder between academic institutions and practice, and since the early 1990s it has also been quite active “to expand its role and advance its position in the evolving field of European management” (Hedmo, 2004, p. 137). This led ultimately to the above mentioned EQUIS accreditation programme (efmd, 1996 and Hedmo, 2004, Ch. 6). Although, this programme is trying to emphasize European dimensions it appears that the inspiration from US accreditation organizations is considerable.

efmd and EQUIS are examples of the creation of European counterparts to US organizations and arrangements. Another important feature is constituted by the European associations, which were mentioned already in the first edition. Since then one significant new such association was created in 2000: the European Academy of Management (EURAM). The rationale behind it was first that there were European management scholars, who found themselves outside the then existing specialised organizations. Second, there also appears to have been a threat that the Academy of Management in the US planned to create a European branch. The EURAM project was not met with enthusiasm in all camps, however. Particularly within the European Group of Organization Studies (EGOS) influential members considered the EURAM foundation as a hostile act.<sup>16</sup> Nevertheless, EURAM is now approaching the end of its first decade, institutionalized with a board, annual meetings and a journal (*European Management Review*).

Together the European associations have no doubt increased the mobility of researchers, who also to an increasing extent go to meetings in the United States. For instance the Academy of Management meetings which take place in a large US city every August attract an increasing number of Swedes. At the 2007 meeting in Philadelphia fifty-seven Swedes were among the delegates (the Conference program, p. 43).

The US orientation among Swedish scholars of business administration becomes particularly evident in studies of citation behaviour. This was in the first edition shown by means of data from the questionnaire to doctors in the field of business administration. These results have since then received further support

through studies of the *Scandinavian Journal of Management* for the period 1984–1992 as well as fifteen top management journals for the period 1981–1992 (Engwall, 1995a and 1996).<sup>17</sup> They showed that most frequent references had US authors (Table 9.10). Only one among the top ten in the three studies had a European co-author: the Norwegian Johan P. Olsen who collaborated with James G. March in *Ambiguity and Choice in Organizations* (March & Olsen, 1976). All the others had US-American authors. At the top are classical books like Cyert & March (1963), Thompson (1967), Pfeffer & Salancik (1978) and March & Simon (1958).

*Table 9.10. References occurring among the first ten in the Nordic World sample 1981–1992 compared to the Scandinavian Journal of Management 1984–1992 and the theses 1950–1985*

Cited Work	Author Nationality	Number of Studies	Mean Ranking
Cyert & March (1963)	US	3	1.67
Thompson (1967)	US	3	2.33
Pfeffer & Salancik (1978)	US	2	2.75
March & Simon (1958)	US	2	3.25
Lawrence & Lorsch (1967)	US	2	5.50
Porter (1980)	US	2	6.00
Weick (1969)	US	2	6.25
Glaser & Strauss (1967)	US	2	6.50
March & Olsen (1976)	US and Norwegian	2	8.00

*Source:* Engwall (1998)

The US-dominance is likely to continue and even to be reinforced in the coming years as journal publishing has become a significant feature of modern academic behaviour. This is particularly the case, since various kinds of evaluations put more and more emphasis not just on publishing but publishing in certain top journals, i.e. journals with a high impact factor. Since most of these happen to be American it has become necessary for Europeans to adapt to US publishing behaviour in order to be accepted even though the risk of being rejected, is very high in a system where almost ninety per cent of the author come from North America according to the World Sample cited above (Engwall, 1996, p. 430).

The foreign inspiration is not only limited to research. Another significant feature highlighted in the first edition was student

mobility. Since then it has become even stronger and more institutionalised. While the SSE students during the first decades made study trips of their own, their followers at the end of the twentieth century and the beginning of the twenty-first century were part of formalised exchange programs. This was, and still is, more or less the case for all of the institutions offering business education. Jönköping International Business School was according to the evaluation of Swedish business education (*Högskoleverket*, 2002, pp. 29–30) the most active in this respect with 258 students going abroad and 312 incoming students in the academic year 2000/2001. The universities had about one hundred students going in each direction. Some institutions had an imbalance between incoming and outgoing students, which to a certain extent is due to their difficulties to recruit Swedish students for studies abroad. This has particularly been the case for exchange programmes with institutions in non-English speaking countries.

A further feature of the internationalisation is an institutionalization, which has led to the creation of networks of exchanges. Some of these have even developed into strategic alliances. One example is the CEMS consortium (the Community of European Management Schools and International Companies) consisting of 16 European business schools and 50 international corporate partners. It provides the opportunity for participating students to both acquire a CEMS Master's Degree and a degree from their home institution. In order to gain these double degrees students are required to take a number of compulsory courses. Among Swedish institutions SSE is a member (See further [www.cems.org](http://www.cems.org)).

Foreign inspiration in education is not only occurring through exchange but also to a large extent through the curriculum. This was clearly demonstrated in an analysis of the literature used in the two oldest business schools in each of the four Nordic countries (Table 9.11). Over-all, almost sixty per cent of the 954 titles were of non-Nordic origin and more than forty per cent came from the United States. The lowest Nordic shares was observed for marketing (33.5 %) and the highest for accounting and finance (53.7 %), while the share for the other sub-fields was about forty per cent. The reason for the relatively high Nordic share in accounting and finance is of course the national character of accounting rules and regulations.

*Table 9.11. Origin of the literature within different sub-fields in eight Nordic business schools*

	Nordic	USA	Other	All titles
All subfields	42.3%	42.2%	15.5%	954
Administration	39.2%	40.2%	20.6%	225
Accounting/Finance	53.7%	34.9%	11.4%	254
Management Accounting	38.8%	51.3%	9.8%	112
Marketing	33.5%	49.3%	17.2%	203
Other	41.9%	41.9%	16.2%	160

*Source:* Engwall (2000, Table 3, p. 13).

The figures in Table 9.11 point to a strong foreign inspiration through the text-books. Hence, considering the above shown significant US inspiration in research (Table 9.10) there are reasons to believe that a considerable part of the literature written in the Nordic languages had a similar intellectual basis. The data presented in Table 9.11 regarding foreign inspiration are therefore likely to constitute an underestimation of the foreign influence.

All together the development since the first edition can be characterized by an increased internationalisation. American business schools have even more become role models to their European counterparts and pressures on international publishing are likely to lead to an even stronger US orientation, since top journals happen to be North American. The influence from the US is also strong in education through a considerable part of the literature being either published in the US or based on ideas developed there. At the same time we see an increasing mobility of researchers and students. For both categories the mobility has become more institutionalized. Researchers are linked together through associations and regular meeting. Students are moved around the world through exchange programmes and sometimes in institutional networks.

## 9.8. CONCLUDING DISCUSSION

It should be evident from the previous sections that business administration has experienced a remarkable expansion since 1985. The number of institutions offering higher business education has increased, and so has the number of enrolled undergraduate

students and graduates. Business degrees, or at least a semester or two of business administration, have become a common background for top managers as well as their employees. The positive self-reinforcing process envisaged in Chapter Eight of the first edition appears to have come true. In terms of the metaphor of the book, the relationship between Mercury and Minerva seems to have been strengthened even further.

The growth process has not been limited to education. A similar development has also occurred in research. The number of PhDs in the field has more than trebled in less than twenty-five years. Many of these doctors have continued in research. As a result of their increasing competence, and institutional reforms, the total number of professorial appointees is thus approaching two hundred, of which 101 are presently active. More and more they are internationally connected into a broad community of business administration scholars. Again there is firm evidence of an increasing association between the two goddesses in focus for the study.

It is true that the accounts above, and also earlier in the book, are mainly Swedish. However, in terms of the development of business administration, Sweden is no exception to the rest of the world. The speed and details may be different, but there is considerable empirical evidence of similar patterns in many other countries. This is evident from volumes presenting comparisons of the development in different countries (see e.g. Amdam, Kvålshaugen & Larsen, 2002; Engwall & Gunnarsson, 1994; Engwall & Zagmani, 1998; Kipping, Engwall & Üsdiken, 2008; *Journal of Management Inquiry*, 2004 and Durand & Dameron, 2008). As a result of these coinciding developments in many different countries management education has also expanded tremendously worldwide. Durand & Dameron (2008, p. 6) estimate that “some 200 000 management faculties teach about 4 to 5 million students every year in about 7600 management programs around the globe, for a business of about 10 to 12 billion US \$”.

At the same time it should be acknowledged that management education has also been the subject of criticism. Locke (1996) thus coined the phrase “the collapse of the American management mystique”, while Mintzberg (2004) has referred particularly to the weaknesses in the MBA programmes when it comes to fostering managers. In the same vein Pfeffer & Fong (2002 and 2004) questioned

the relevance of the educational product on offer at the business schools. Ghoshal (2005) even argued that management theories are destroying practice, and Khurana (2007, p. 363) concluded that the orientation of business education has fundamentally changed “via the substitution of market logic for the professional and managerial logics that successively dominated business schools from their beginnings in the late nineteenth century up until the end of managerial capitalism in the 1970s and 1980s”. This criticism has in turn stimulated a literature on the future role of business schools (e.g. van Baalen & Moratis, 2001 and Durand & Dameron, 2008) and their management (e.g. Lorange, 2002).

The critical views on business education indeed makes it appropriate to scrutinize the earlier conclusion that business administration is likely to spread through a self-reinforcing process. The fact that the present chapter has provided reaffirming evidence since the first edition does not imply that the process will automatically continue. Nevertheless, there still seems to be good reasons to believe that the basic concepts and methods of the discipline will continue to prosper due to their close relationship to the evolution of modern market economies. Needless to say curricula can be expected to change in response to events in the environment of institutions for business education. Examples of this are recent responses to ethical and environment issues, which have led to an interest of business scholars in corporate social responsibility (cf. e.g. Windell, 2006) and sustainable development (cf. e.g. Buhr, 2007). Thus it could be argued that the discipline has good prospects for the future due to its openness to Practice and its ability to adapt to new conditions. And, this is necessary, since business studies can be expected to have great difficulties to become a profession in the true sense, i.e. to become a required background for management positions.

However the development of the field is not only a question of the spreading of ideas. It is also a question of institution-building. The chapter has shown how these have increased in number and that there are a substantial number of late entrants. As argued above, these are particularly vulnerable in times of declining student supply. The older institutions will have advantages in terms of reputation building and therefore will be more attractive for prospective students since it is important to acknowledge that business schools do not only provide academic training but also constitute



significant devices for selecting elites. In the words of Crainer & Dearlove (1999, p. 105): “people don’t go to the top business schools just for the learning; they go to join an elitist club, which has little to do with their ability as managers”.

The fact that business schools today are considered as elitist clubs is of course remarkable in view of the strong resistance that was reported in the first two chapters of the book. About a century ago business administration was thus considered incompatible with the spirit of universities.<sup>18</sup> Today the discipline constitutes a significant part of higher education. However, this does not mean that it is no longer looked upon with critical eyes. Other disciplines still express views on the scientific status of business administration and practitioners still worry about the practical relevance of the curricula. In other words: the tension between Minerva and Mercury is still there. However, although this liaison may have delicate connotations and implications, we should also acknowledge that it seems to be an important explanation for the success and vitality of the discipline.

language". Similarly Belkaoui (1979) uses the language metaphor in discussing accounting. See also Erich Gutenberg's idea that business studies represents a "think technology," which "people employ, like language, in order to describe relationships" (Locke, 1989, p. 131).

## NOTES TO CHAPTER 9

- 1 The autonomous schools are traditionally multi-disciplinary. This is also true for some of the integrated schools (e.g. GSE, Jönköping and Örebro). It should be noted, however, that in Umeå the school only consists of the Department of Business Administration. The same goes for Stockholm University, where the department has adopted the label "School of Business".
- 2 Recently there have been tendencies to integrate Nordic business schools into universities. Thus, in Denmark the Aarhus School of Business was merged into Aarhus University as a professional school from January 1, 2007 (<http://www.asb.dk/presse/pressemeldelser/arkiv/2006/fusion021006.aspx>). Similarly the Helsinki School of Economics is in a process of merging with the University of Art and Design Helsinki (TAIK), and the Helsinki University of Technology (<http://www.hse.fi/EN/news/education/announcement17102007.htm>).
- 3 See further *Högskola i dynamisk utveckling: fyra högskolors förutsättningar att bli universitet* (1998).
- 4 Discussions are going on between Mälardalen University College and Örebro University. Together with the University College of Dalarna and Karlstad University, they got in May 2008 a government grant to investigate the possibilities to merge all four institutions. Blekinge Institute of Technology, Kalmar University College and Växjö University have also worked on a merger project. As of 2008 this project includes Kalmar and Växjö only. From January 1, 2010 these two institutions intend to merge into the Linné University.
- 5 In the spring of 2008 Örebro University was also given the right to award *civil-ekonomexamen*.
- 6 For a discussion of the complicated system for recruitment in Sweden, see Engwall (2005, pp. 292–296).
- 7 Linköping University is a complicated case with these restrictions, since it contains an institute of technology. In order to be as consistent as possible, professors with chairs similar to those at the other institutes of technology have not been included. As a result only two professors, whose chairs are labelled "business administration" have been included. The same goes for their doctoral students (see further below!).
- 8 For an account of the events leading to the first endowed chair in 1946, see Carlson (1983, pp. 148–149).
- 9 In addition to the endowed chairs named after donors chairs have also been created through grants of three to five years from research foundations. An example is the chair in accounting and finance at Uppsala, which was first financed by the Söderberg foundations.
- 10 The additional female appointees are Barbro Anell (UmU, 1993), Barbara Czarniawska (GSE, 1996), Carin Holmquist (UmU, 1996), Monika Kostera (VxU, 1997), Ulla Törnqvist (GSE, 1999), Rita Mårtensson (GSE, 2000), Kerstin Sahlin (UU, 2000), Karin Jonnergård (VxU, 2001), Carin Holmquist (SSE, 2001), Guje Sevón (SSE, 2001), Susanne Hertz (HJ, 2002), Helén Anderson (HJ, 2003), Maria Bengtsson (UmU, 2003), Eva Wallerstedt (UU, 2003), Ann Loft (LU, 2005), Åsa Lindholm Dahlstrand (HH, 2005), Virpi Havila (UU, 2006), and Maureen McKelvey (GSE, 2007).

- 11 The survey must, however, be interpreted with great care due to a low response rate.
- 12 Data on graduates in the labour market shows that a large majority (84 %) were employed in the private sector. There also seems to be a movement towards more women: while 43 % of the 70,300 business graduates in the labour market were women, 53 % of those examined in the academic year 2004/2005 were females.
- 13 For instance, in the Swedish banking sector studies made in the wake of the Swedish banking crisis show that there is a trend towards higher competence but also a high potential for recruitment of business graduates as employees with lower formal competence retire (Engwall, 1995b, pp. 153–157).
- 14 An indication of the described process is the number of applicants to each place of study. The fall semesters of 2001–2005 there was seven applicants for every opening at SSE, while the corresponding figure for the university colleges were around one and sometimes even below one (*Högskoleverket*, 2006, Table 4).
- 15 It should be noted that the provided figures for co-authorship do not take into consideration co-authored papers in dissertations containing collections of papers (*sammanläggningsavhandlingar*).
- 16 This was for instance demonstrated quite clearly at the 2000 EGOS meeting in Helsinki.
- 17 See also Danell & Engwall (2001) and Engwall (1998, 2003).
- 18 In addition to the evidence provided in the first edition, the following quotation from Veblen (1918, pp. 209–210) illustrates well the attitudes at the time: “A college of commerce is designed to serve an emulative purpose only – individual gain regardless of, or at the cost of, the community at large – and it is, therefore, peculiarly incompatible with the collective cultural purpose of the university. It belongs in the corporation of learning no more than a department of athletics”.