American Influence on European Management Education: The Role of the Ford Foundation

GIULIANA GEMELLI
Imitation and resistance: some considerations on comparative and long period analysis

Until a few years ago, there was general agreement that the United States had always led in the field of management education, and for these reasons, its models have been easily exported to Europe.

Since the end of the 80's, however, this belief has become questionable. American experts have begun to consider business education's deficiencies in the United States and to compare them with the weakening of American management's organizational capabilities. At the same time, they have begun to realize that some European business schools, especially those developing a transnational focus and teaching international business as a subject integrated throughout their curriculum, have achieved a competitive position in the world of management education. This "revisionistic" attitude has stimulated scholars, particularly business historians into analyzing business schools' historical heterogeneity and different patterns, both in organizational design and training strategies. Recently, they have produced a set of case studies in which the historical approach has a crucial role in analyzing the different solutions proposed by each institution to similar organizational problems. Herbert Simon has stated that these problems are principally related to the functional complexity of the business school and in particular the necessity of integrating two different social systems and their cultural patterns: the social system of practitioners and the social system of scientists in relevant disciplines (such as mathematical sciences, behavior sciences, accounting) whose heterogeneity is also evident.

This heterogeneity is more striking if one considers the development of commercial and entrepreneurial training over a long period, i.e. from the second half of the 19th century. It is important to stress that the level of coordination and integration between the university system and the industrial economy system.

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was always the product of a long process of trial and errors which in some cases lasted for almost a half of a century. Even though the results of this experimental process pointed to qualitative and quantitative differences from one country to another, the process in itself was not a distinguishing element of peripheral countries such as Italy or Spain; this experimental character applied to Germany as well as, to some extent, the United States. Until now, only Robert Locke has tried to make a systematic comparison of the relationships between higher education and entrepreneurial performances, comparing the three main European countries (England, France and Germany) with the United States. His analysis, however, did not succeed in completely avoiding the limits of functionalist approach, in particular in relation to his German case study, in contrast to other European countries which were scarcely interested in developing their own management education’s strategies and institutions at the beginning of the 20th century, only becoming more receptive to the impact of the American management after the Second World War. In fact, the dynamics of cultural resistance versus imitation of foreign patterns is more complex and articulated and less "linear"! In other words, the process of integration and refusal is not entirely the product of rational choices, but also the effect of a system of micro decisions taken in the long period which are not only related to management education but rather to the complex articulation between the social system of scientific knowledge and the social system of professional practice and to its selective results.

Locke argued that, since the beginning this century, Germany had produced the right educational environment for the right economic and entrepreneurial development. However, he did not consider that this effect of integration was the result of a long process of empirical trials. Moreover, he did not consider that the peculiar patterns of business education in Germany were shaped not by the proper adaptation of German technical institutes to the demand of the industrial environment, but other factors. These factors were internally related to the process of institutionalization in the higher education system. At the beginning of the 20th century the theoretical debates concerning some crucial and dominant disciplines such as political economy and sociology had, in fact, a role in shaping the institutional and theoretical pattern of new disciplines. Recent studies demonstrate that, not only in Germany but also in Italy, the influence of positivism and more specifically the results of the "Methodenstreit" at the beginning of this century, stimulated the emergence of an unified theory of the firm. This mainly deductive approach was very different from the basically inductive "case method" approach, which progressively became the dominant pattern of American business education.

The theory of the firm was a basic ingredient in the genealogy of both "economia aziendale" in Italy, at the Bocconi university, and "Betriebswirtschaftslehre" in Germany. In France, on the contrary, "les sciences de gestion" were characterized by a more empirical approach, avoiding any attempt to integrate "gestion" (both as a teaching subject and as a training pattern) into a general theory of the firm. With Fayol, "la gestion" was intellectually rather than theoretically founded: to be more specific, it was a "doctrine" with intellectually rooted foundations rather than a theory with an applied aim, as was in Germany. Its disciplinary identity remained very fluid and was based on juridical disciplines as well as engineering, with the additional support of "l'art du commandement" which was a subject in military schools as well as in the Ecole Polytechnique. Further still, despite similar denotative characters, European institutions showed many connotative differences. In most European countries, the education of managers only took place at universities, defined in a broad sense, hence including polytechnics and schools of commerce. But the connotation of these institutions differed greatly from one country to another, reflecting the different structural factors mentioned above. If one considers, then, the long-term effect of historical change (that is the different roles, from one period to another, of interacting factors such as professional interests, institutional rivalries, national and international competition, financial constraints or opportunities, economic or organizational asymmetries), the changing patterns of business education become evident. For example, in the United States, business administration was essentially engineering plus economics; later on it was centered also on organizational behavior. In Germany, it was above all accounting, and only in a second period of development, the study of the economics of companies.


"Betriebswirtschaftslehre". In the Italian "Scuole di commercio", it was mainly "ragioneria", and later, with the creation of the "Bocconi", "economia aziendale". Thus, we are confronting an evident asymmetry both in space and in time which was rapidly (and to some extent only apparently) reduced during a specific historical period from 1950 to 1970 by a homologous process produced by the impact of American management education system in Europe. This process, however, was part of larger scenario of "cooperation strategies" in other sectors considered of crucial importance in reinforcing US political leadership in the West such as for example technological cooperation in space. This occurred especially during the sixties when the relationship between technology and economic growth became a strategic element in US-European relationships. This growing interest "was mainly channelled into and institutionalized by the Organization for Economic Cooperation and Development (OECD)" which also had an important role in stimulating the development of European management education as a strategic crucial factor in reducing the asymmetry - "technological gap" - between the two continents. I shall return to this point.

What I would like to stress here is that, a crucial part of analyzing the dynamics between national patterns and processes of homologation to a dominant system, is to define conceptual tools and also to find strategic topics which could improve the comparative approach both in time (in the long period) and in space (national and international).

Important suggestions could be found in recent methodological literature on comparative analysis. The method based on the analysis of "contrast of contexts" 8 for example, seems to be particularly useful in developing the generalization of empirical case studies. This approach is oriented to maintain their peculiar originality especially when their historical framework is considered, rather than to produce a simple inventory of institutional similarities and differences. On the contrary, the basic ground for comparison is the selection of some general and crucial questions which oriented the comparative analysis. The focus in this case is not the study of the distribution and diffusion of training patterns in managerial education but the interactive and cultural dimension which orients their historical development. The main goal is to develop an analysis which emphasizes the variety of answers to a rather homogeneous set of problems such as how to produce the integration of professional standards and practices into the business schools' curricula or how to adapt them to scientific changes and methodological innovation in the relevant disciplines or systems of disciplines. This variety is not only the product of institutional strategies but also of inner factors which characterized cultural contexts, an anthropologist, Yahuda Elkana, has qualified these factors as "images of knowledge", that is socially based conceptions concerning knowledge such as sources, legitimation patterns, rules, values, behaviors and rituals. In most European countries, management as a cultural pattern (which the business schools developed and diffused in cooperation with different institutions such as universities, firms, trade associations, private foundations) has progressively imposed itself as a dominant pattern which overlapped previous images of knowledge and their institutionalization as disciplines, such as "economia aziendale" in Italy, "gestion" in France, and "Betriebswirtschaftslehre" in Germany and in some Northern countries. Despite the relations of "familiarity" with American management, these social practices of knowledge maintained, even after the dominant impact of the American patterns in Europe, a basic heterogeneity not only from the connotative but also from the denotative point of view. It is a matter of fact that until the present this heterogeneity was in many cases underestimated and only recently scholars, institution builders and institutional reform's designers seem to consider the role of inner factors of cultural resistance as an important element in shaping new educational strategies or institutional reform projects. In this case, reference to the comparative approach based on "contrast of contexts" could reveal also an applied aim.

It is important to stress that this method becomes particularly useful when the field of inquiry is characterized by phenomena of "translation" and "transmission" of cultural and organizational patterns among contexts which are heterogeneous not only in their historical development but also in their asymmetrical position within the systemic framework produced by the above mentioned dynamic of transmission and transfer of "dominant" cultural and organizational patterns. The domination of the American patterns in managerial education after World War II has implied, in fact, in the European countries, a large range of "reactions" from hybridization to imitation, from resistance to refusal, whose historical analysis has become crucial especially in the last years, when the asymmetrical map of managerial education in the international context entered into a phase of transition, characterized by phenomena of inversion of direction in the relationship between European and American patterns and by the emergence of pluralism as a strategic target.

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8 C. Ragin, Comparative Sociology and Comparative Method, in "International Journal of Comparative Sociology", XXII, 1, pp.102-120
A strategic topic: cross-fertilization policies

This article’s goal is to develop some of these methodological issues and to investigate the historical background in which this inversion was set up through the exploration of a transversal subject: the Ford foundation’s financial and organizational involvement in developing European management education. In this context, the Ford foundation acted as a cultural entrepreneur which tried to standardize managerial educational patterns and professional requirements through a dissemination of intensive training and research programs. They were first experimented upon during the early fifties, in the most important American business schools9. In a second phase, since the mid-sixties the Ford foundation acted also as a translator of American patterns into different European institutional and cultural frameworks. I shall return to this point giving a more detailed analysis using specific case studies. What it is important here is to stress the fact that the two phases were not mechanically related as the result of a "carbon copy" strategy of transfer. In short, this is not a topic we can easily insert in the obsolete chapter of "Americanization". Instead the concept I have used to analyze this transfer is that of cross-fertilization which implies a process of translation from one context to another, rather than a mechanical transfer. From this point of view the concept of cross-fertilization is also used as a detector to identify some crucial "contrasts of contexts" in the development of management education, especially during the period 1954-1974 which is precisely the period of largest development of the Ford foundation's involvement in European cultural and institutional policies. It should also be stressed that the Ford foundation was not the only actor in the cross-fertilization policies concerning management education. One should consider also the role of other institutional or even individual actors. The origins of the translation of American educational patterns is related to the role that the Harvard Business School had during the thirties in the diffusion of the "case method" in Europe. Born a Frenchman, Doriot was educated in the United States and had become vice-dean of the Harvard Business School by the age of 28. In 1930, in cooperation with a small group of French entrepreneurs he took the initiative of creating the CPA (Centre de Préparation aux Affaires) in Paris, this being the first European outpost to develop the case method approach, both in teaching and research training10. Doriot had a long career, both in the educational field and in capital venture enterprises (he was the founder of the ARD American Research and Development and of its European "agency", the ERD). In the mid-fifties, he also conceived and pioneered INSEAD which was founded by Doriot’s former French students in the HBS class of Manufacturing: Olivier Giscard d'Estaing, Roger Godino and Claude Janssen. Doriot was also an active fund-raiser for INSEAD both from the Ford foundation (he was actually influential member of its Board of Trustees) and many important American companies (see figure 1).

The process of cross-fertilization, upon which the "new look" in management education was designed by the Ford foundation and then transposed to the old continent, was anticipated and bolstered by another factor: the detailed and articulated studies of the European countries educational and institutional situation led by the European Productivity Agency (EPA) from the beginning of the fifties. EPA’s detailed reports allowed the Ford foundation to adapt its strategies to the highly differentiated European environment. Before analyzing some elements of the articulated strategies of this cross-fertilization process I would firstly like to spend some time describing the general context in which the Ford foundation’s involvement in European management education took place, and secondly, to give some explanation as to the reasons which oriented the selection of the two case-studies presented in this article. In what concerns the first point it should be stressed that the Ford foundation’s role in Europe was not the result of a pure strategy in exporting a national, successful experiment. It was part of a grander vision of the "diplomacy of ideas" role in strengthening Western civilization cultural and ideological unity, through the development of higher education programs in research and training which concerned management as well as the social sciences11.

Nonetheless, it should be remembered that the basic elements of the "new look" in management education projected by the Ford foundation were related to an introduction strategy of the behavioral and social sciences in the business

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schools curricula and also to structural goals which stimulated research as a relevant factor in the process of management professionalization.

In any case, the development of programs which aimed at improving and standardizing European research was related both in the social sciences field and in management to the setting up, since 1954, of an autonomous European program inside the "International Affairs Area" of the Ford foundation. Thanks to the initiative of one of its most outstanding officers, Shepard Stone, the foundation elaborated a "grander vision" of Europe which envisaged three goals: the strengthening of the Atlantic Community; the strengthening of democratic institutions and the widening of European perspectives not only in the Mediterranean countries but also in the Eastern countries. The origins of this project should be considered as a part of a very complex scenario in which the Cold War, at the end of its aggressive phase, shaped the way in which higher learning became a strategic factor in political warfare. As recent studies have pointed out, this was also the period in which, thanks to better coordination between scientists, entrepreneurs and statesmen and the creation of a set of relationships between private experts and public agencies in the United States, an important transfer of know-how from military research to "big science" was achieved. One should not forget that also in the field explored in this article there are crucial examples of this kind of transfer. Georges F. Doriot, who during the World War 2 became a general of the American army, handed down his experience as head of the Department Research and Development of the American army, created in 1946, to his activity as organizer of the first experiments of capital venture enterprises during the fifties. It should also be stressed that a good number of directors and deans of the first European business schools came from a background of army experience. In an interview\textsuperscript{12} with Alexander King in Paris (who not only conceived but was also a great organizer of scientific strategies within the European Productivity Agency), I was told that the idea of implementing productivity came directly by the previous experience of operational research, applied to the technical problems of war effort.

In some respects, the Second World War and the Cold War were a "godsend" for the development of social science and management. The growth of plans for an unified Europe, strongly supported by eminent American personalities like general William Donovan and Georges Ball and, in the Kennedy period, the growing up of an equal US-European partnership in the relationship with the United States facilitated and accelerated the growth of American interests in Europe. In the mid-sixties the crucial debate on the "managerial gap", emphasized by the publication of Servan-Schreiber widely acclaimed book, \textit{The American Challenge}, gave another strong impetus to this dialogue and produced the growth of the visibility of management problems as a strategic element in the relationships between US and Europe. Big private foundations were at the right place to play a crucial role in this process. Their importance was emphasized by two factors: the increasing political supremacy of the United States in the international context, and particularly, as mentioned above, in Europe, and the increasing role of private foundations in dealing with specific problems in US public policy and cultural diplomacy. International strategies in education and research were part of this scenario whose dynamics in what concerns management education and training could be described through the selection of specific case studies. Indeed, the two case studies presented in this article (INSEAD in France and IPSOA in Italy) have been selected not only because they are particularly relevant to illustrate the dynamic context of US-European relationships but also because they allow the experimentation of the "contrast of contexts" approach. In fact they are both related to the same historical period, and precisely to the first experimental phase which anticipated the extensive involvement of the foundation in European management educational programs. Moreover, these case studies concern two different countries which present, within very different institutional, social and entrepreneurial contexts, similar resistance's to American educational and training patterns. Finally, they are part of a very asymmetrical story, because IPSOA had really a very short institutional life, despite the intensity of its experience and the positive and innovative effects produced within the social and cultural framework of Italian management. On the contrary, INSEAD is not only still alive, but as it is largely known, is one of the best and successful international business schools.

A large part of the history of these two institutions can be retraced through the Ford foundation's archive. One might also mention, however, that the history of many other European business schools (and not only of those financially supported by the Ford foundation) could be retraced through these files. The advantages of this kind of documentation lie in that it does not tell us precisely how each institution was created or how it grew up, rather its position in a larger context, nationally and internationally. From it we have a great deal of information about the system of competitive-cooperation in which each institution was inserted in the different phases of its life. This makes it possible to avoid a danger, typical to these kind of studies, which is to consider the history of each institution as a linear history, from birth to death, eventually enriched by references to the history of other similar institutions in order to have some external elements of comparison. On the contrary, in this case, comparison is an internal factor.

\textsuperscript{12} October 24, 1993
Let me now return to the origins of the Ford foundation's design for management education in order to introduce the two comparative case studies, I have selected, into their general context.

The Ford foundation's "new look" in management

In 1953, the Ford foundation officer, Milton Katz, invited Thomas Carroll, then dean of the School of Business at the University of North Carolina and formerly an assistant dean at Harvard Business school, "to spearhead Ford's developing interest in business education and more specifically, to outline a proposal for strengthening the case method of instruction in business".

An advisory committee was created to study a specific program for Ford foundation intervention in business education reform. Its advice was that "for business education to improve, rather than simply follow established practice, the foundation had to subsidize and encourage substantial imaginative research in a field in which few conducted any research at all and where much of what was undertaken was descriptive, industry-specific, if not company-specific". This orientation implied that in the professionalization of management, research should have a central role. The Ford foundation's strategy was to invest in a few "excellent" institutions (Carnegie, Harvard, Columbia, Chicago and Stanford) and to start a curricula reform based on the incorporation of the behavioral and social sciences inside a traditional set of disciplines, such as accounting, mathematics and econometrics.

At the end of the fifties, despite some critics and tensions between different sets of priorities, such as developing centers of excellence or improving the diffusion of the "new look" to a large range of institutions, the "new look" was definitively on the offensive. The decision to transform this strategy in an international program was not the mechanical effect of its success within the national context. In fact, it is necessary to stress that the foundation had started institutions. As we will see later when the IPSOA's development will be analyzed, it was not a fortunate experiment. The reasons for the Ford foundation's considerable involvement in European educational policies should rather be seen in the light of different factors which occurred simultaneously.

First, there were a number of structural changes to the foundation during the second half of the 1950s. In this period, two new programs were created: the International Affairs Program (established to carry out the Foundation's programs in Europe), and the Economic Development and Administration Program (created to support educational institutions concerned with economy). These programs found a productive field of interaction in managerial education. When the International Affairs Program was terminated in the second half of the sixties, it was mainly under the Higher Education and Research Program that European management education development found a roof over its head and the right organization. The officer in charge of this new program was Marshall Robinson, who proved to be a capable director of EDA program from 1964-67. It is also important to add that, in 1957, the foundation terminated the Behavioral sciences program which began in 1951 and which was considered by the trustees as becoming too "intellectual", abstract in contents and over-formalized in methods. At that time, the implementation of the behavioral sciences' role in management education was perceived as a path to give more applied orientation to these disciplines, whose impact on European social sciences was rapidly expanding.

The Ford foundation's European program was also stimulated by other external factors related to the dynamics in the international context at the beginning of the sixties. In this period, as mentioned above, there was a growing interest in the relationship between technology and economic growth and, at the same time, an increasing European anxiety towards the "technological gap" which characterized the position of the old continent vis-à-vis the United States. Management education was perceived as a crucial factor in reducing this gap, especially by some of the brightest members of OECD, like Alexander King and Jean-Jacques Salomon. At the beginning of the fifties, King had been the promoter of European productivity strategies; from the mid-fifties, they became the key figures of the scientific policies of the European Productivity Agency (EPA), directed in Paris by Roger Grégoire, which had its own national organizations in many European countries. The directors of these national organizations in many European countries. The directors of these national

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13 Schlossman, Sedlak and Wechsler, The "New Look" cit. p. 9


15 On these events see B. Berelson, Oral History Transcript, FFA, pp. 20-28

16 J.J. Solomon was head of the Division des politiques de la science et de la technologie at the OCDE.
agencies were often promoters of institutional and organizational initiatives in the field of human relations studies and management.

Padre Agostino Gemelli, a member of the "Comitato Nazionale per la Produttività" (the Italian agency of EPA) was one of the few Italian experts in applied industrial psychology with a role in introducing human relations in Italy. Ivan Matteo Lombardo, the president of the "Comitato", had an important role in creating ISIDA (the second Italian school of management located in Palermo) with EPA's support in 1956. Under the direction of Gabriele Morello, a promising economist who had previously been assistant professor at IPSOA, ISIDA successfully continued during the sixties to follow in the footsteps of IPSOA in Turin, with the Ford foundation financial and organizational support. I shall return to this point.

It is important to stress here that the role of the European Productivity Agency in implementing the basically technical set of recipes of productivity with a large cultural background was firmly rooted in the European traditions. A clear example of the EPA's role is borne out by the following quotation from a 1956 report by Alexander King:

"There is a reluctance on the part of Universities in some part of Europe - King wrote - to accept management as a subject of sufficient intellectual content for inclusion alongside the accepted disciplines. This has been supported by the tendency since the war [...] to introduce the subject in the form of particular techniques, sometimes trivial, apparently unconnected with each other and often without consideration of underlying principles. At the same time there is recognition of the need for well trained, progressive managers in European industry [...] It appears to us that accepted American methods of training for management, while developed more extensively and successfully than elsewhere, have tended to become somewhat traditional. On the other hand, the growing needs and complexities of industry are clearly making it necessary to develop managers of a new type, while the elaboration of scientific methods and the unfolding of the social sciences are offering new and dramatic possibilities."

This statement contains a clear statement of the strategic and methodological orientation which inspired the "new look" of the Ford foundation as a positive opportunity for developing European management education. Moreover, it should be stressed that among the European experts there was a widely-shared belief that European management ought to be built on a large cultural and cross-disciplinary base integrating the American patterns with the European transnational culture. As Alexander King pointed out, this interdisciplinary orientation should be based on the increasing use of quantitative methods and mathematical analysis, as for example the games theory, scientific method and operational research techniques as well as the implementation of social and behavioral sciences research tradition.

If fact, somewhat paradoxically, one could consider the fact that the first experiment in European management education took place in a country like Italy, with a university system which was completely unaware of cross-disciplinary educational strategies and totally opposed to innovative experiments. Why did the Ford foundation decide to support an Harvard Business School's program and launched itself in the IPSOA's adventure?

The pioneer stage of the Ford foundation's European program: a case study

First, it should be recalled that this experiment anticipated the foundation's involvement in American business education reform which, as mentioned above, started in 1953. Rather than being connected to any clear project in management education, the IPSOA experiment should be associated with Shepard Stone's commitment to work in Europe which rested on the conviction that there were promising opportunities for the Foundation in the modernization and reform of education as a factor of impetus not only in strengthening the Euro-Atlantic alliance but also in the growth of plans for an unified Europe, as mentioned above. The main goal was to extend to Europe the "organizational synthesis" patterns, carried out in America through the integration of social sciences and practical policies, of academic research and public policies, of experts and state administration. In Italy the basis of support for Stone's strategy was limited. In Italian Universities and academic institutions there was and still is no idea of what a cultural policy could mean. Even the word policy was assimilated to or confused with "politics".

Nonetheless, at the beginning of the program, Stone's strategy found particular support in a social and intellectual reform movement "Comunità", whose energetic and creative pioneer was the Italian industrialist, Adriano Olivetti. It is not surprising then, that the Ford foundation decided to support Olivetti's idea of creating a post-graduate school for management studies, to be located in Turin. Actually IPSOA, ([Istituto post-universitario per lo studio dell'organizzazione aziendale) was the first European business school (after the creation of CPA in the thirties) which imitated the Harvard Business School's methods and teaching strategies.

17 A. King, Studies on Management Organisation in Various European Countries EPA, Project No 347, FFA, Reel 0068, Grant No 56--51, section III, pp. 3 and 6
IPSOA’s case study is a good empirical example of the difficulties and obstacles which can hamper a process of mechanical transfer of a set of organizational patterns from one context to another especially when the industrial system and the higher education system of the countries involved in this process are strongly differentiated as in case of the Italian and American systems.

IPSOA was established in 1952 by FIAT’s director, Vittorio Valletta, and Adriano Olivetti himself. After a trip to the United States in which they participated in an International Conference organized in New York by the National Management Council, Valletta and Olivetti decided to start a new educational experiment in Italy based on the pragmatic, action-oriented type of education existing in the US. With the financial means provided by both their companies and with the weight of their personal support, IPSOA was directed by a former Olivetti man, Giovanni Enriques, the son of the mathematician Federigo Enriques. IPSOA opened its doors in 1952 and for its first year of activity, thanks to the agreement between the Ford foundation and the Harvard Business School, was able to rely for almost one year on the highly capable teaching, in particular the case method, of the professors Melvin T. Copeland (former Director of Research at HBS) and Charles M. Williams (also from HBS). In 1953, the first installment of the Ford foundation grant ($13,000) was entirely devoted to the case method training and to the development of research in this field.

Under Enriques’ management, the success of the school was very rapid: the first academic year boasted an intake of 90 students, enthusiasm and democratic cooperation (which is unusual in the Italian university) between the faculty, very young assistants, often chosen by Adriano Olivetti himself (as was the case of Pietro Gennaro, Gabriele Morello, Piero Bontadini), and students coming from varied educational backgrounds. IPSOA was an island of innovation in a feudal empire dominated by the rigid and bureaucratic system of the Italian university. The new institute rapidly became well known in Europe thanks to the energy of a young organizer, Richard Miller, who had an intimate knowledge of the Italian mechanical industry. In France, the Centre de Préparation aux Affaires made regular reference to the IPSOA staff in order to organize the first European networks in management training and education and, in the second half of the fifties the pioneers of INSEAD consulted the founders of the Italian school when they started plans for the new institute of Fontainebleau.

Presenting the new institute in “Fortune” magazine, Miller did not hesitate to speak of a “second Italian Renaissance”. Miller, however, did not conceal crucial problems. The Turin Unione Industriale which decided to support the school, was an unreliable partner. It did not represent large corporations (virtually the most interested in IPSOA’s products) but smaller companies which had no interest and certainly few resources to be able to send somebody there. In the university network, a kind of undeclared war was being waged against the new institute whose innovation and dynamic curricula strongly contrasted with the static educational system of Italian universities.

IPSOA’s attempts to make alliances with the traditional university power structures were indeed short-lived and superficial. Gabriele Morello observed that a real alliance was never desired. IPSOA was perceived as “an esoteric transplant” by the university professors and, on the other side, the institute was very proud of its “out-of-the-system” independence. Also in industrial circles, IPSOA’s training strategies were considered as too far from Italian companies’ needs. Miller noted that,

"In Italy, where the basic insecurity of all job-holders is manifested by a high degree of individualism and a real lack of cooperation, the graduated of IPSOA face a difficult human relation problem in joining or returning to an organization. Frankly, the graduates often need the assistance of their superiors in making use of valuable training given them. In Italy, more than elsewhere, the good man is the man who often finds himself alone and feared."

IPSOA progressively developed as a kind of “in vitro” experiment, as a beautiful but almost useless green-house flower. Yet it was a crucial experiment in cultural innovation. The organizational, educational and even behavioral or mental patterns of its management, its cooperative and democratic climate contrasted the authoritarian and bureaucratic climate characterizing both university and most of the largest Italian firms, particularly FIAT. This climate stimulated the businessmen’s resistance to giving information about their company’s affairs which were necessary to collecting Italian cases as teaching material, in addition to those imported from Harvard. Professor Copeland commented in his memorandum to the Ford foundation that,

"Another obstacle is the practice of many Italian firms of keeping two sets of books, one for the tax purposes and one for business administration. In as much as such a large proportion of Italian firms are family owned or closely held, furthermore, published financial statements are available in only a few instance."

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18 R. Miller, Summary for “Fortune” (Manuscript) FFA, Reel 0950, Grant No. 54149, pp. 4-5

19 Melvin T. Copeland, Memorandum to Dean David, FFA, Reel 0950, grant No. 54149, pp. 5-7
This was also the reason why many of the American cases in business finance had a limited applicability to Italy where publicly held companies were rare.

Copeland agreed with Miller’s diagnosis that the most serious obstacle to IPSOA’s development was represented by the antagonistic academic quarters. This antagonistic attitude was based not only on personal envy and criticism but also deeply rooted in the Italian intellectual tradition. The Italians were accustomed to the deductive method of analysis, while the case method approach supposed an inductive approach. These factors limited the possibility of integration between the productivity policies (which were being introduced in Italy during that period) and the development of a larger concept of training in business administration. Copeland said that,

"The imparting of information on new production techniques may well have some immediate value, but for the long pull a widespread and thorough administrative understanding not only of those technique and their implications but also of various other aspects of business management will be found to be indispensable for a sustained increase of productivity".\(^{30}\)

In order to develop a larger strategy it was necessary not only to by-pass the obstacles mentioned above, but also to develop the cultural patterns which could fertilize the management sciences. It was precisely in the same period during which IPSOA’s experiment took place that the European Productivity Agency, started a study on these problems. Alexander King observed that the possibility of developing such a science as an integrated and interdisciplinary field was strictly connected to the level of growth and to the process of institutionalization of the social sciences (industrial psychology, industrial sociology, organizational theory, theory of the firms). In Italy, more than in any other European country, questions related not so much to how new techniques or new disciplines should be introduced, as they did to the lack of a suitable institutional and intellectual context, and secondly - as stressed by Herbert Simon - the by-passing of a crucial gap between the social system that produces scientific knowledge and the social system, where professional practice takes place.

Paradoxically, the most positive effect of IPSOA’s educational experiment could not be found at the level of entrepreneurial strategies (at that period management philosophy was not clearly grasped even by those who voiced their approval of this), but at the level of the social and intellectual diaspora that IPSOA generated. The underlying ideas and methods of IPSOA continued to flourish under two other management centers which started in the fifties, CUOA (Centro Universitario per l’Organizzazione Aziendale), founded in Padua in 1957, and ISIDA founded in Palermo in 1956. On the other hand, the biological life of IPSOA (that definitively closed its doors in 1964) continued through the large amount of organizational know-how that the institute offered to further European experiments in building business schools, first at all to the INSEAD’s builders. As far as concerns IPSOA’s diaspora, it should be added that many of its former assistants continued to spread its message in other Italian institutions, such as FORMEZ. A positive and creative result of this diaspora was also the creation of some important consulting companies. This was particularly the case of a former Olivetti man and IPSOA’s assistant, Pietro Gennaro, who became the leader of an important group of consulting experts in Milan. Later, at the end of the sixties, Gennaro was among the founders of a successful Italian business school, ISTUD at Stresa. In other cases, former IPSOA assistants acted as catalysters and promoters of the managerial culture within the traditional system, mostly as free-lance professors (Flavia Derossi, Bontadini, Malinvemi); less frequently they became full professors in the Italian faculties of “Economia e Commercio” (Sergio Ricossa, Giovanni Micheletti).\(^{21}\)

What then really happened to IPSOA? In 1957, according to the numerous memoranda in the Ford foundation’s files, the institute had already hit a crisis. A Ford officer, Waldemar Nielsen observed that,

"The causes seem to be the usual Italian ones of sharp personality clashes and erratic management".

In some notes, taken during a trip in Europe in 1957, another Ford foundation officer, Stanley Gordon, observed that Adriano Olivetti’s attitude towards IPSOA was now less optimistic than in the past. FIAT’s willingness to continue with a financial support to the institute had become weaker and weaker.

"According to Olivetti ../ FIAT is apparently trying to merge the Turin school with the Turin Polytechnic Institute. The latter school is stuffy and traditional ../ and a merger would be the "coup de grace" for the Turin school. Olivetti thinks that the new Nestlé school in Lausanne is apparently recruiting staff from the Faculty at Turin."

Unfortunately, the Turin institute’s crisis began exactly when the European machine was gaining momentum and when US-European policies of technological and scientific cooperation entered in their organizational phase. As

\(^{30}\) IVI p. 19

\(^{21}\) Until now we do not have a systematic analysis of IPSOA’s intellectual and organizational networks. For a first attempt in this direction see G. Faliva and F. Pennarola, Storia della consulenza di direzione in Italia. Protagonisti, idee, tendenze evolutive, Milano, Edizioni Olivares 1992.
The Ford foundation's plan for European management education - A general survey.

The foundation's first step was to finance (within the International Affairs Program) an EPA program called "Pool of American Professors in Business Administration".

The draft of the project presented in 1957 to the Ford foundation by Roger Gregoire is clearly directed at the improvement of management education by creating a good, permanent and research trained teaching staff. As mentioned above, IPSOA's development entirely depended on a non-permanent Faculty which was also a reason for weakness amongst most of the European Business Schools. Gregoire wrote that,

"The present project aims at overcoming part of the shortage of teachers of Business Administration in Europe. The EPA and other programs in this field have, in fact, resulted in the creation of numerous schools of business management, for which qualified professors are urgently needed. The EPA with considerable financial support from the United States International cooperation Administration, is endeavoring to increase both the numbers and the quality of management teachers by means of its reaches training projects in the USA and in Europe; however, it must be recognized that demand has outstripped the availability, primarily because of the length of time required to train qualified personnel and steps must be taken if European management teaching is to develop as rapidly as desired."

The Ford foundation's reply was rapid and positive. It was clear that the need for this kind of investment had taken a firm hold in Europe in the late fifties and was certainly strengthened by the European integration after the treaty of Rome. The economic expansion, which took place as a result of the European recovery, had a direct impact on private firms and, in particular, on small and medium-size enterprises. One result of the growth in the size of the firms was the demand for a greater variety of specialized skills at middle management level. Universities and other training institutions in Europe were not geared to providing individuals with these new fields of specialization. Gregoire observed that,

"In addition, the fear of economic distortions, presumably to be caused by the integration of European economies, caused grave concerns to small and medium entrepreneurs, who were in fact the body of public opinion...

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22 M. Nouschi, Histoire et pouvoir d'une Grande Ecole HEC, Paris, Robert Laffont, 1988, pp. 89-95

23 FFA Reel 0527, Grant No 57265, section I
which most resisted the various plan of economic integration. In this way EPA not only helped to overcome the resistance but helped in creating an atmosphere in which change was welcomed as an opportunity rather than feared as a difficulty."

The program proposed by EPA consisted of a two phase plan: a short-term plan essentially based on a series of Executive Development seminars, open to both executives holding posts of responsibility in medium-size enterprises and to the young graduates of the traditional schools of economics; and a long-term program, aimed at creating in Europe permanent institutions. The main goal of the second phase was not only to supply the managers needs by the expanding and integrated economies of the European member countries but also to create research and study centers in management. It was this long-term program which captured the Ford foundation's attention.

The first step towards this goal was taken by providing the schools with American professors. In fact, 25 of them arrived from different American institutions and different areas of the US, but with a large percentage from Michigan. This was an important factor for the introduction of subjects such as marketing and organizational behavior to the new European school's curriculum, considering that these disciplines were already considerably advanced both at Ann Arbor and the Chicago School of Business Administration.

American professors had two main tasks: conducting courses as well as giving policy advice to the new institutions to set them off in the "right direction". This direction was of course related to the implementation of American standards which should create also a basic similarity among institutions disseminated in different countries. An important part of their work was also selecting young assistant professors who would receive a scholarship from different sponsors, including the Fulbright program (which was already well developed in many European countries, dating back to the early fifties) to spend a one-year period in the United States during which they could specialize in a particular subject in the area of business administration. Then in 1957, the foundation approved a grant of $98,400 which was renewed at the same rate in 1959. The background discussion of the aims of this scholarship provides an illuminating account of the federation's general policy in this field:

"The development of business management training in European universities is considered to be important in terms of the objectives of the foundation's European program and in the program in Economic Development and Administration. Such training can contribute directly to strengthening the European economy and also have a direct effect on the structure, methods and orientation of European higher education. The encouragement of such professional schools in Europe, like the development of the social sciences generally, will help repair the broken link between European academic institutions and the pressing social, economic and political problems of the continent. Business management training has had rapid growth in post-war Europe and the problem at the moment is not only to encourage further growth but to keep it on a sound basis of competence and quality."

The foundation's main goal was clearly to transpose to a European context the basic patterns of American "organizational synthesis" rather than to simply export educational contents and teaching programs. Obviously, however, the possibility to develop this strategy largely depended on "contexts": in the countries where management (and not only management education) was still a no man's land, this transfer was mainly centered on contents and programs. Considering the problem of "contrast of contexts" within a rather homogenous strategy of dissemination, like that of the Ford foundation during the late fifties and the early sixties, it is interesting to note that the demand of American guest professors came mostly from those countries in which management education had met serious obstacles in its process of institutionalization, that is from Italy (61%) and from England (17.5%). Other requests came from Netherlands (15.5%), Sweden (5.5%) and Belgium (0.5%). In Italy, especially at ISIDA in Palermo there was with no doubt the highest concentration of American professors.

It is evident that in its first three years of life (1957-1959), ISIDA could profit from IPSOA's crisis, obtaining the best American professors available (Ezra Solomon from Stanford and Mervin Waterman from Ann Arbor School of Business Administration taught Finance and Controls; Joseph W. Towle from Washington University and Pearson Hunt from Harvard University taught General Management; Paul Converse from the University of Illinois and Edward Cundiff from the University of Texas taught Marketing, Norman Maier from Ann Arbor thought Industrial Relations and Psychological Research). The reports of American professors reveal that ISIDA's experiment and Morello's interest at the Institute in research and the organisation of a general management curriculum (contrasting strongly with the Italian trade schools' curricula) was considered a very positive outcome by the American observers. During this period ISIDA Was thought to be a very promising institution in the European context, as was IPSOA at the beginning of the '50s. Thus, we can say that at the end of the '50s, Italy was at the core of the American experiment of "exporting"
management education to the "Old Continent". The backwardness of Italy in this field was probably an element which facilitated this rather mechanical transfer.

The situation changed rapidly on both sides of the Atlantic in the first half of the '60s when the dissemination of management education in Europe led to the heightening of asymmetry among institutions and national cultural strategies. Unfortunately, Italy was characterized by a rapid process of involution which characterized the "static" sixties. Gabriele Morello wrote that,

"Under the bonanza of the much praised "economic miracles" the need for investments in human resources was not felt ./... The number of executives who in the sixties went through regular learning exercises can be counted in terms of a few hundred per year ./... One could ask why the new initiatives did not originate from the universities ./... Historically, Italy was probably the first country to conceive the engineer as a man of vast and complex knowledge ./... But the technician of general education, this Leonardian type of all-round figures, did not last long, soon be replaced, under the spurs of technological process by specialists. And thus it happened that ./... Italian faculties were divided into small bit and pieces of specialized sciences ./... and the Italian educational model was frozen into a monolithic system which kept adding new departments and disciplines while leaving unchanged the structure of the system ./... Since each small piece of science turned into a chair, meant status and personal gratification for somebody, the impetus for the for the citadels of knowledge to become citadels of power, was real and concrete 25.

One element should be added to his lucid analysis. Whilst in a postgraduate studies' strategy and structure were rapidly developed in most of the disciplines in the majority of European countries, in Italy, despite the energy devoted to this aim by a small group of enlightened intellectuals and administrators (strongly supported by the Ford foundation) nothing happened. A post-graduate studies' structure was created only at the beginning of the 80's, as an extreme "rattrappage" in order to avoid complete exclusion from the European educational standards. This statement helps to explain two sequences of events: firstly, why Italy participated so intensively in the first phase of the Ford foundation's international policies, but played an almost insignificant role in the second phase which was devoted to strengthening research and graduate-studies program rather than to simply export "American patterns" of training and education. Secondly, this is why the shift between the end of the fifties and the mid-sixties was so strong and evident especially in the relationships on both sides of the Atlantic. The development of "new attitudes in American "cultural behavior" which basically moved towards a cross-fertilization policy, considering differences as well as similarities of countries and cultures, undoubtedly facilitated the already existing process of differentiation in size and strategies, which was so typical of the development of the European business schools during the sixties. In fact, the most visible "contrast of contexts" during this period depended on the asymmetry between the dynamic situation which characterized some European countries like France, Belgium and to some England (considering its basic resistance to management education's development and the Italian involution. I shall return to this point. What should be stressed is that, despite the many shifts produced by the historical period, the basis for the new trend which characterized Ford foundation's policies in European educational programs during the sixties, should be retraced to the previous experimental phase, described above, whose goals and strategy were largely inspired by the idea of simply exporting some dominant cultural patterns.

The reports of each professor, involved in the EPA's program on the situation of the schools they visited, were precious instruments for the Ford foundation both in relation to the definition of its policy of investments in each country, with respect to the level of acceptance of management education at university, and the selection of projects to be given priority in the Foundation's general policy.

At the end of the fifties, when the EPA had ceased its activities and the Ford foundation had entered into the European arena alone, its agenda had changed. In the mid-sixties the problem was not so much how to educate European managers rather how to reduce organizational asymmetry between Europe and the United States and how to by-pass the technological gap between the two continents. On both sides of the Atlantic, outstanding observers like Robert McNamara and Jean Jacques Servan Schreiber pointed to a strict correlation between the technological and the managerial gap, precisely at the time when the state of management education in Europe was attracting increasing attention even in countries like the United Kingdom, where the problem had been underestimated for a very long period. The Ford foundation had its own vision on this subject: it considered that the managerial gap could be filled only by stimulating research and integrating it as a factor of development both at the level of the industrial and educational strategies.

The formal launching of the Ford foundation's program occurred in 1967 (which coincided with the publication of Servan Schreiber's book, The American Challenge). At that time, the foundation had already acquired fifteen years experience, thanks to the EPA program as we have seen, but also thanks

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to a series of small grants, frequently devoted to improving teachers training through international programs, such as the International Teachers Program. An overall view of the European Management Education program reveals that it involved 47 major grant actions and 81 doctoral fellowship grants. Excluding individual fellowships, grant sizes ranged from $1,000,000 to $3,000. The average duration of grant action with a programmatic character was two years. The European program was organized under different main approaches corresponding to different needs and organizational strategies. Then it was not a one-way program. On the contrary it implied experimental and articulated side-streets.

Many grants were devoted to "institutional development", i.e. to strengthening institutions which were mostly, but not exclusively, non-university training centers. This occurred in two ways: by creating professional deanships and strengthening the creation of a permanent Faculty, as was the case for INSEAD ($1,000,000 on a partial matching basis) and for CEI (Centre d'Etudes Industriels in Geneva $250,000); and secondly, by improving research staff and training in support of doctoral programs, as was the case for the London Graduate School of Business Studies and the Manchester Business School in the United Kingdom and for CEROG (Centre de Recherche en Sciences de l'Organisation) in France ($300,000). CEROG was conceived as an implementation, at the post-graduate level, of the activities of the already existing IAE-Instituts d'Administration des Entreprises (created in 1955 by Pierre Tabatoni, as Institutes of the Faculties of Law, with the enthusiastic agreement of Gaston Berger, the dynamic Directeur de l'Enseignement Supérieur).

Other grants were devoted to "visits and exchanges" from both sides of the Atlantic, which shared the goal of strengthenning European institutions. This was the case of the grant to the Stockholm School of Economics whose aim was to bring specialists from different countries to Stockholm in order to enrich the school curriculum and research standards.

A third type of support was related to "networks building". This is a very rich and interesting chapter of the Ford foundation adventure in Europe and deserves more attention than I can give it in this paper. Each institution supported by this kind of grant (particularly the European Association of Management Training Centers and the International University Contact, which later merged with the European Foundation for Management Development, la Fondation Industrie-Université and the European Institute for Advanced Studies in Management, all located in Brussels) has, in fact, its own very articulated history which is worth recalling in some detail.

Most of the grants were devoted to "starting and strengthening research centers". In the United Kingdom, the University of Warwick was given a $250,000 grant for the establishment of a Centre for Industrial and Business Studies within the School of Social Sciences. Another grant of $ 100,000 went to the International Institute for Management of Technology, sponsored by OEOC, established in Milan in 1971. This latter venture was a total failure, but the brief history of this institution is very interesting, because it was planned as being a kind of European M.I.T. on the basis of the INSEAD model, which was considered, at least initially, to be the European equivalent of the Harvard Business School.

The largest amount of financing ($1,000,000) was devoted to the doctoral fellowships which allowed young European teachers to go to the U. S. graduate schools to do their doctoral studies at one of the 12 participating U.S. graduate schools of management. At the end of this period the participants were required to return to Europe to an academic career. As could be expected not all fellows returned to Europe. Many of them preferred to find jobs in American multinational companies or teach in American schools. This was one of the reasons why the Ford foundation decided to simultaneously develop some European networks (with $1,500,000), according to a more general trend which characterized US-European relationships during the mid-sixties which was inspired by the philosophy of the "equal partnership". The creation of EIASM was a kind of compromise resulting from a very complicated experimental phase during which many options were confronted. All these options were discussed in 1968 in a key meeting at Rotterdam. The Foundation's officers and many American consultants recommended the creation of an excellent doctoral granting international institution to be located in Western Europe. The European experts and educators resisted that idea and EIASM was created from this original disagreement. "It was designed as an institution for graduate studies operated by US-European faculty, to supplement training at the student's home institution, not to compete with it". As a matter of fact, at the end of the sixties the map of European business schools was not only highly differentiated, but had already developed its own lines of cooperation and competition, which were related both to the different institutional scale and to the articulated scopes of each institution. Moreover, the map of participants to EIASM doctoral programs, both per country and per institution, is a very interesting area in which to analyze the dynamics of cooperation and competition among the different business schools. As an example of such dynamics, one can recall that while the London Business School valued the Institute very little, its most direct rival, the Manchester school, was one of its stronger supporters!

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26 Earl F. Cheit, *The European Management Education Program*, FFA, Report n. 005777, p.28
Generally speaking, it could be said that some of the Ford foundation grants constituted the basis for rapid and progressively autonomous growth of European management which really became in this period an “apprenti sorcier”. This was particularly the case of some institutions which acted as “poles of excellence” in the development of European management and management educational strategies. A crucial case study in this context is that of INSEAD which succeeded in capitalising two sets of opportunities: those which were created by the dynamic French environment, both in political and economical context (so clearly opposed to the Italian situation during the same period) and those created by US cooperation strategies between the end of the sixties and the first half of the seventies.

Competitive cooperation: INSEAD’s challenges

From this point of view, the study of INSEAD’s process of institutionalization offers a good case study to develop the “contrast of contexts” approach in the long period. INSEAD’s history constitutes, in fact, an important chapter of the Ford foundation’s European program for management education ever since its experimental phase. At a later stage, INSEAD’s development can be compared with IPSOA’s history.

In the following phase, when the Ford foundation’s program involved a large number of European business schools and their networks, INSEAD, which was considered the most “American” among the European business schools, obtained the largest support and was considered as a pole of excellence (“l’Harvard Européenne”). Rather paradoxically, it was also one of the few European schools which succeeded in producing an articulate strategy of competitive-cooperation not only vis-à-vis the other European schools but also towards the most important American institutions (including HBS). While transforming itself in a more and more international educational structure, it could be said that some of the Ford foundation’s architects could profit from the know-how of their Italian colleagues. When the Fontainebleau institute opened its doors in 1958 some of the former IPSOA students attended classes at INSEAD. It should be noted that, among the restricted group of professors at the new institute, there was a bright young Italian professor of marketing, Salvatore Teresi. Whilst he was not a product of IPSOA, he had good relations with the Turin school’s network and, importantly, played an important role in activating the involvement of the “Comitato Nazionale per la Produttività” in supporting and organizing management education in Italy.

When INSEAD started its classes the French industrial and institutional environment was as inhospitable as the Italian one. The university system and in particular the “grandes écoles” had a monopoly over higher education even in commercial studies. Since 1881, in fact, there has been the Ecole de Hautes Etudes Commerciales in France, which has developed strong ties within the social milieu of the entrepreneurial elite. Until the Second World War, and even afterwards, the French entrepreneurial environment was dominated by small and medium enterprises which had little interest in MBA programs. Nevertheless, unlike their Italian colleagues, INSEAD’s pioneers were able to take advantage of some opportunities to the extent of being able to transform what appeared as an obstacle into additional impetus.

An important opportunity was created by the process of cross-fertilization achieved through the CPA whose methods and training patterns were assimilated by a large number of students the most varied institutional backgrounds, and who, later, had different careers not only in the industry but also in bureaucracy, finance, and diplomacy. An excellent example of this process of “horizontal fertilization” of different social and institutional segments is Pierre Uri, a former CPA student who became head of the Commissariat au plan.

As we have seen, in order to resist to university system’s opposition, IPSOA progressively transformed itself a kind of “innovation enclosure” with lower and lower relationships with the entrepreneurial and the academic environment. On the contrary, INSEAD’s founders, developing general Doriot’s strategic orientation, tried to consolidate a large network of supporters and donors not only in France but also in Europe and in the United States. Instead of exasperating opposition to the University system, INSEAD tried to by-pass it and to find a financial basis of its existence directly from the entrepreneurial environment.

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27 For a detailed account of this structural change see G. Gemelli Per una storia comparata delle business schools in Europa. Le origini dell’INSEAD. cit. The last part of this article is largely based on this previous study on INSEAD.

28 Also the Ford Foundation’s officers underlined the strict relations between the two institutions. “Professor Gregoire believes that the projected international business school inspired by professor Doriot of the Harvard Business School will be a new IPSOA.” Visit to M. Roger Gregoire, Director, European Productivity Agency, Inter Office Memorandum November 7, 1957 FFA, Reel 0527, Grant No 57265.
environment. This element marks also a crucial distance vis-à-vis the American Business Schools’ organizational patterns, which in most of cases, depended on attachment to a large university. Within a very brief period of time, another important opportunity was created by a rapidly changing political situation, characterized at the international level by the process of implementation of European unification which implied the strengthening of an intellectual (and virtually political) identity at its roots. At the national level INSEAD could profit of the effects of Mendés-France policy whose main orientation was to create a solid and dynamic interface between the public sector and the prevail sector, between the bureaucratic system and the entrepreneurial milieu. Unfortunately this orientation, despite the effort of an enlighten group of reformers, was totally lacking in Italy.

Finally, INSEAD could take advantage of the opportunity created by the intellectual and the social capital of the founders who were former American trained scholars, with a good knowledge of the American educational patterns (including the case method) and who, as former student of Maurice Allais at the Ecole Polytechnique, also had excellent training in operational mathematics. All these basic factors undoubtedly facilitated relationships with the most important American business schools (Harvard, Stanford and Chicago) and also the placement of young graduates in American firms and multinationals, precisely at the time when European expansion was at its peak. Hence, it is not surprising that when the Ford foundation decided to support European management education INSEAD was considered as a strategic investment. Pressure for this came not only from General Doriot who was a member of the Ford foundation trustees, but also the Harvard Business School which, during the sixties, became increasingly interested in developing European case studies as teaching material. Actually, in the first phase of institutional development, INSEAD participated intensively to the programs organized by Harvard, especially the “teachers program”, the aim of which was to “produce” the future European professor of management. Insofar as concerns the case studies material, the Institute developed its own strategy very rapidly, which was mostly aimed at satisfying the demands of the European (and later also international) entrepreneurial environment. From the mid-seventies, the Institute developed also at an organizational level, an increasingly autonomous strategy to such an extent that it launched the European Teacher Program to challenge Harvard’s monopoly. Moreover, at the beginning of the seventies the Institute strongly resisted the idea of creating a European Harvard in Switzerland. In sum, competitive elements began to grow out the initial cooperation.

Paradoxically, one of the effects of the Ford foundation’s conspicuous financial support was the growth of new institutional areas whose further developments generated somewhat conflicting interests among the Institute’s different sectors. The Foundation’s grant paved the way for the stabilization of INSEAD’s faculty by creating the position of a professional dean. As a consequence of its financial constraints (which were based on a system of matching, which required that for every $1 of American financing, the Institute had to find an autonomous financing to the sum of $1,50 - see table) it stimulated the need to develop larger and permanent contacts with the entrepreneurial environment, and in particular to give the necessary impulsion to organism a structure of fund-raising which would be progressively integrated with research and development strategies. This new impulsion led to the creation of CEDEP, a structure of ongoing education which is conceived as a “Club” of associated companies (see table). Each enterprise participating in CEDEP’s programs had to subscribe to its programs for almost five years, whilst developing a progressive re-integration of the managers who followed these programs inside the different sectors of the firm. Moreover, the new CEDEP subscribers, in order to become partners, should have the agreement of the other members.

Indeed, CEDEP was only an element of the process of institutional differentiation of the Fontainebleau’s institute which progressively implied a change of its size. The stabilization of INSEAD’s Faculty allowed a more differentiated and articulated offer of the Institute’s programs. MBA programs (whose duration is shorter than in the American schools) were complemented not only by ongoing education programs but also by rapidly expanding “executive program” which was crucial to developing a productive relationship with the entrepreneurial environment.

As we have seen, this process of differentiation and in particular the stabilization of the faculty remained a virtual possibility in IPSOA’s development. The most negative consequence of this lack of opportunities was the fact that the Turin school depended entirely upon American teaching materials and was not able to produce case studies which could be really and practically useful to the Italian firms. The “enclosure effect” of IPSOA can be demonstrated by the lack of demand for IPSOA’s products by Italian firms. On the contrary, the range of INSEAD products rapidly began to increase its diffusion at the beginning of the seventies. However, it is true to say that the institutional and historical situation has changed rapidly after the mid-sixties when precisely IPSOA closed its doors.

Another element of which reveals the impetus of INSEAD’s development was the resistance that the Institute posed to American donors when they applied pressure on it to accelerate its process of academicization. The idea of forging

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an equal partnership with Europe supported by the Ford foundation implied in fact that the most important European institutions could adapt themselves very rapidly to American standards. During the seventies the "mot d'ordre" was professionalization of management through academic research. INSEAD accepted this challenge but with its own timing, that is within the limits fixed by its own institutional development which needed a strenuous effort to improve relationships between the French and European entrepreneurial environment. In the long run these links became not only a good opportunity but also a challenge to the contrary.

One should consider, however, that INSEAD’s crucial shift from a training institute to an educational structure occurred in the mid-seventies (see table) when not only the international, economic and financial context changed in a dramatic way, but also the system of Euro-American relationships reached a crucial turning point. Paradoxically, 1973 marked the beginning of a critical period, which was further endorsed by Henri Kissinger. On this subject, a key actor (the American ambassador at the European Communities, Robert Schaezelt) affirmed that, "Dans la période antérieure, l’accent dans les relations américano-européennes était sur la co-opération, la tension était présente mais manifestement au second plan. En 1970, cet accent était renversé désormais." As a matter of fact, many elements, such as changing priorities in American foreign policy, loss of legitimacy of a US global hegemony as a consequence of the Vietnam war coupled with international economic and financial crisis converged to create a particular troublesome period in the Euro-American relationships. Then it is not surprising that in the mid-seventies also the Ford foundation program in developing European management education was on the retreat.

This retreat was well suited to the general orientation of the foundation’s policy during the seventies, with the new presidency of McGeorge Bundy. A former Ford foundation officer, Waldemar A. Nielsen, who participated in many European ventures, wrote in his book entitled, "The big foundations", "The foundation’s international programs, which some had thought might be Bundy’s primary interest, were simultaneously given a lower priority than the domestic programs. The European segments, under a rapid succession of chiefs, almost disintegrated." Nielsen’s statement needs to be modified in one respect. Bundy created, in fact, a new and well-supported program, Higher Education and Research, which provided the basis for the most important results to be achieved in management education cross-fertilization strategies (both in Western and in Eastern Europe). It should be added, however, that the Higher Education and Research division does not have a comprehensive concern for Europe as a geographic and political entry, as was the case of the International Affairs Program. Just prior to the mid-seventies, the era of the Ford foundation’s European adventure as a strategic target was coming to an end. During the period of McGeorge Bundy’s presidency, Europe was not yet the core but rather a part of the Ford foundation’s international design. Moreover since the mid-seventies management education became an international rather than an Europe-American value.

INSEAD was indeed one of the few (and probably the first) European business schools to meet this challenge with an increasing internationalization of its faculty, students, programs and research centers (such as the creation of the Euro-Asia centre in 1975).

From the late seventies onwards and especially during the eighties, the business schools extensively changed their international dynamics within their world-wide campuses and also their cultural frameworks and pattern of communication. American patterns ceased to be the unique reference and competitive competition became progressively a shared pattern or even a necessary strategy within the war of educational standards which implies a crucial challenge: competition between educational systems is in fact coupled with the desire to internationalize education, that is to say "for concepts and international norms which ./. allow for some compatibility between the different systems". From the end of the seventies, INSEAD made strong efforts to anticipate and then to meet this challenge in an individual way, which was and still is by developing in each of its institutional areas and for each of its set of products, a "trans-national focus". Should one group together in the "war of degrees", the German model, the American model and the Latin model, and also the INSEAD’s model? What are the alternative models to activate a

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22 P. Nicohe, The War of Degrees in European Management Education in “EFMD Forum”, 1992, n.1, p. 21
coordinated European educational strategy? These questions clearly go beyond the content of this article, but are certainly implied in its conclusions.

Conclusions

Problems of transfer and cultural translation as well as problems of contrasts of contexts are in fact now, perhaps more than in the past, at the core of the debate on management education.

INSEAD’s case study, as compared, by contrast, with the almost contemporary experiment of IPSOA, offers an interesting historical background to analyze how a positive and innovative imitation of dominant patterns implies firstly a flexible institutional strategy and a creative mental picture. In INSEAD’s development, American influence had principally the effect of stimulating this flexibility and this mental map. INSEAD’s institutional choice was that of a “selective imitation”, that is to say of a translation of American patterns into its own institutional culture whose first imperative was to develop at each level and stage of its structure an intimate contact and an extensive communication with its national, European and, later on, international environment. From this point of view, one could maintain that the Fontainebleau Institute founded and developed its processual equilibrium between the social system (which produces scientific knowledge) and the social and information system (in which professional practice takes place) on unstable ground.

IPSOA’s organizers perceived flexibility as a problem and even as a danger when they were faced to the academic power and University supremacy. Then they chose to isolate themselves in their perfect “citadels”. On the contrary, INSEAD founders, by transforming the impulsion created by the “effect Europe” after the treaty of Rome into a cultural strategy, considering flexibility as a challenge. Moreover, given the historically favorable climate for change, produced by the petroleum crisis and by the growth of European multinationals in the mid-seventies, they succeeded in transforming the “necessity” to be flexible into an opportunity to compete on the world-wide campus of management education. Indeed, what seems to differentiate INSEAD’s development from the evolution of American schools in the last decades is more the capacity of the Fontainebleau’s institute of “internalizing” a complex environment, which is related to different social systems, rather than its growth as an academic institution with its own program of Ph.D. studies which, actually, is only a recent acquisition of the Institute. The growth of INSEAD’s academic excellence seems to be the product rather than the cause of its institutional growth which has firstly implied a strategic commitment in simultaneously strengthening, through a shared trans-national focus, its different sectors (MBA, executive programs, continuing education, academic research, fund raising). The most significant effect of this strategic orientation is the consolidation of an institutional dynamic which could be described through Alfred Chandler’s theoretical terms: INSEAD developed its structure following the variations of a strategic design whose steps and stages were related to the Institute’s progressive changes of “size”. The non calculated effect of this rational choice was the growth of a synergetic interface between INSEAD’s two aims, that of an academic institution and that of an enterprise capable to stimulate and even create its own markets.

In conclusion could one say that the problematic of influence and cultural hegemony is a too narrow path when the problem is not to analyze the linear dynamics of imitation but the complex phenomena of translation which implies, as any phenomenon of “acculturation”, co-operation as well as competition?
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