

Commerce at Otago

1912 — 1987:

A Personal Perspective

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University of Otago
1988

ABRIDGED EDITION

Committee on Page

1971 - 1972

Financial Institutions

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1971

Financial Institutions



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PREFACE

In 1988 we can look back on 76 years of teaching in Commerce subjects at the University of Otago. What had begun in 1912 as a modest University contribution to the provision of educational courses in accountancy subjects had developed by 1987 into one of the largest faculties of the University, covering in its teaching and research a range of business - related subjects that are now recognised as being of particular relevance to our changing New Zealand economy.

A 75th anniversary provides (albeit a year late!) an opportunity to review the way we have come, and hopefully, to project a future built on the foundation that has been laid. This brief history is designed to contribute towards that review.

For almost fifty years the Faculty was concerned mainly with the provision of high quality but low cost educational courses for students whose primary objective was the Accountancy Professional qualification. The high quality came from the involvement as part-time teachers of able professional accountants and lawyers, as well as the University's full time teachers in economics. The low cost was due to a combination of low remuneration to part-time teachers and the virtual absence of extra costs in accommodating classes and part-time staff members. During this long period, responsible part-time teachers gave faithful service in providing courses which changed little year by year. The pass rates achieved by students were consistently well above the average for New Zealand. But there are no exciting events to record, and there was little change to affect the ongoing operation of the Faculty, which seems to have functioned quite well for its first 40 years without any formal meetings! That is bad news for the historian, and also perhaps for the reader of the first part of this history. By way of contrast the last 25-30 years comprise a period of radical change and exciting developments. Thanks to the contributions in ideas, enthusiasm, and personal effort of many people, the Commerce Faculty evolved from a stable, largely out-of-hours facility for the education of future accountants to a mainly full-time, vigorous and innovative School of Business Studies with developed courses at undergraduate and postgraduate levels covering a range of business-related disciplines. What had been a tolerated adjunct to the University has become one of its most important faculties.

This history has been written from a personal perspective. I participated in the pre-development era, first as a part-time student during the years 1933-9 and then as a part-time teacher in 1940 and from 1946-1960. I was deeply involved in the years of development and change as the first full-time teacher (1960), as Head of Department (to 1981), and as Dean of the Faculty during the critical years 1960-1975. Hopefully the insights from personal involvement will outweigh any bias in the interpretation of events.

I am indebted to several people for their assistance with preparing this history; but the reviewing of my years of involvement with the Faculty as a teacher and administrator makes it clear that my principal debt is to my wife who gave tremendous support through the exciting and stressful years of development of the Faculty.

Special thanks are due to Angela Te Nahu who performed cheerfully and well the unenviable task of typing this history.

Tom K Cowan

June 1988

PART I: THE EARLY YEARS

High Hopes

A leading role in the establishment of classes in Commerce subjects at the New Zealand university colleges and the University of Otago was played by Mr Peter Barr, one of the founders of the New Zealand Society of Accountants and President of that body when the decision was made to encourage the university institutions to provide courses by undertaking to give financial support. In his "History of the University of Otago (1869-1919), Professor G. E. Thompson quoted a section from Mr Barr's address as retiring President of the Society in 1913. Here is part of it:

"It is with a sense of satisfaction that I realise that the Society has assisted in making the course for that (B.Com) degree possible; and now I desire that the connection between the commercial student and the University should become still more real, until it is universally recognized that a student will not be weaned from, but rather encouraged in, and made the more fit for success in his chosen vocation, through the culture and breadth of outlook, added to the special knowledge acquired during a University course. When this comes, as it will come, it will be for the lasting benefit both of the University and the world of business".

It is significant that the high hopes and ideals of Peter Barr extended beyond the immediate professional needs in education for his own profession. He set a worthy objective, but progress towards attaining it proved to be slow indeed, as this history will reveal. It would have pleased him to know that, some fifty years later, moves towards the achievement of his vision were pioneered at the University of Otago.

A Conservative environment

It is important to an understanding of the history of Commerce development at the University of Otago to recognise that universities in the British mould, like Otago, tend to be conservative institutions. Nowhere is this more evident than in the development of business studies. It is only in fairly recent years that business studies (apart from Economics) have been seen to be backed by a fund of research and writing such as would warrant academic respectability in the University environment alongside disciplines such as history, philosophy, language and the sciences. To worsen the situation, many academics have chosen to see business as the selfish and ruthless quest for personal gain and power, and a career in business as a waste of the potential of high-minded students in the top echelon in terms of academic ability. It is a little ironic that these same academics recognise fully that the financial resources available to universities are limited in total, and that resources applied to one department of the University are thereby denied to other departments. University departments compete for funds, and universities compete for students. One could hardly expect a ready recognition of the fact that Commerce served a useful role within the University as a financial "milking cow". For many years, Commerce student numbers have provided statistical justifications for financial grants from the state far in excess of the cost of operating a mainly part-time teaching programme. To sum up, there was some justifiable concern on academic grounds regarding proposals to expand courses in business studies. There were also selfish motives for opposing the development. And finally there are the strengths of tradition and an aversion to change that are

features of the university environment. Because of these and staffing implications, it is not possible for a university to move resources quickly from one area to another.

In the circumstances, it was inevitable that progress in the development of business - related courses and programmes at the University of Otago would be slow, and that, when it finally did come, its achievement required both academic justifications and a battle for resources. It is only very recently that there has been fuller recognition within the New Zealand universities that it is in their best long-term interests to foster a well-managed and profitable business sector in New Zealand.

The beginnings

The long and influential association between the Professional Examinations of the New Zealand Society of Accountants and the courses in Commerce at NZ universities dates back to the beginning. Part of the preamble to the section in the 1913 Calendar of the University of Otago reads as follows:

"The University of Otago, together with the other University Colleges in the Dominion, is now subsidised by the N Z Society of Accountants and the Incorporated Institute of Accountants of N Z to enable lectures to be delivered on all subjects embraced in the Professional Examinations conducted by the University of New Zealand on behalf of the N Z Society of Accountants".

Perhaps it reflects a less conservative attitude than developed later that the undertaking to contribute £100 per year for five years to support a Commerce course at each of the four university colleges was taken up. The Government of the day provided a further £100 to subsidise the teaching in each institution.

It does seem that the University of Otago was rather less than generous over remuneration to the two very able part-time teachers whom it appointed. For £100 plus the class fees paid by students, Mr G. W. Reid, a leading public accountant, was appointed to provide courses in both Bookkeeping and Auditing. Under a similar arrangement, Mr (Later Professor) H. D. Bedford was to provide teaching in Commercial Law.

The classes were established successfully at Otago in 1912, attracting 46 students in the first year. This success, and a demand for additional teaching for the B.Com degree, stimulated a request from the University Council to the N Z Society of Accountants in 1914 to increase the annual grant to £150. For the extra 50 per year, plus the government subsidy, Mr Reid was to provide a course in Currency and Banking. When the five-year sponsorship expired in 1916, the Society was disinclined to renew its contribution, on the grounds of lack of support for the courses in the Northern university colleges, but was persuaded finally to contribute £75 a year for three years. The outcome in Dunedin was the quest, fortunately successful, for a further £75 from local business houses.

The primary objective of almost all the students was to pass the Accountancy Professional examinations conducted nationally by the University of New Zealand. Only a small minority persisted to complete a Bachelor of Commerce degree. It was understandable that the courses had a strong practical and professional emphasis, with teacher and student both concerned with achieving examination passes in their courses.

Almost all the students combined their studies with full-time occupations, a state of affairs that was to continue for many years. The section on "Time-Table of Classes" in the 1913 University of Otago Calendar advised that:

"The hours of the various classes will be fixed to suit the convenience of students, at such times as will allow those engaged during the day to attend".

The arrangement was very convenient for employers also, and for the University which incurred only modest accommodation costs by the early morning and evening extra use of lecture rooms.

In 1913, Mr H. D. Bedford's course in Commercial Law required him to teach four subjects, Bankruptcy Law, Company Law, Mercantile Law, and the Rights and Duties of Trustees. Course fees of one guinea per unit were reduced to three guineas if all four units were taken in the one year. Mr G. W. Reid provided combined classes in Bookkeeping and Auditing at two levels, Elementary and Advanced, for a class fee of three guineas each. Mr Reid was to continue as a part-time teacher until his retirement in 1931, and, from the establishment of the Faculty of Commerce in 1920, to act as its Dean.

The pattern of teaching in accounting which Mr G. W. Reid had established by 1913 did not change greatly over the part-time years. Here is an extract from the 1913 Calendar of the University of Otago:

"The theory of the subject will be thoroughly explained, and weekly exercises in Practical Accounting will be supplied to students. The work done by students will be carefully criticised, and full explanations of points of difficulty will be given. The lectures will be illustrated by blackboard work, and, where necessary, model answers to problems will be supplied. Special test papers, under examination conditions, will be made a feature of the classes".

The classes established in 1912 were designed to meet needs beyond the Professional Accountancy examinations, as is evident from a note in the 1914 University of Otago Calendar. The classes were to cover the preparation for:

- 1) The Professional Examinations of the N Z Society of Accountants and the Incorporated Institute of Accountants (mainly auditors).
- 2) The examination for Book-keepers. ("Successful candidates are granted a University of New Zealand Certificate of Proficiency in Book-keeping, on production of which to the N Z Society of Accountants, a Diploma in Book-keeping is conferred".) (Proposals for a lower tier of qualification go back a long time!).
- 3) The examinations for the Bachelor of Commerce degree.
- 4) The examinations for Certificate of Proficiency (presumably for students not enrolled for a degree programme).
- 5) The examinations in the subject "Accounting" for Teachers' "C" and "B" Certificates, and for the Public Service Examinations.
- 6) "Interested other Persons."

The examinations referred to in (1) and (3) were the same, and were based on course descriptions developed by the examining body, the University of New Zealand, as a result of collaboration between representatives of the profession and the universities.

The course for the subject "Book-keeping and Accounts: Professional Intermediate", was set out in detail:

"The object and value of book-keeping; the form, nature, and classification of accounts; tabular and columnar book-keeping; self-balancing systems; consignment accounts; account sales and accounts current; average due date; partnership, and an elementary knowledge of executorship and trustee accounts; statements of affairs and deficiency accounts; preparation of accounts from single entry books and conversion of single entry books into double entry; manufacturing, trading, and profit and loss statements of trading concerns and the passing of all entries connected therewith; branch accounts; a general knowledge of the nature of capital, debentures, stocks, shares, and of company book-keeping".

The student in "Advanced Book-keeping and Accounts" attended a class where -

"The subjects specified for the preceding class are taken to a higher standard, while special attention is directed to the following:- Cost accounts; percentage statements; municipal accounts; depreciation; sinking funds and reserves; reconstructions, amalgamations, and absorptions of joint stock companies; realisation and liquidation accounts; foreign exchanges; foreign branch accounts and foreign trading; income tax returns; accounts of executors and trustees.

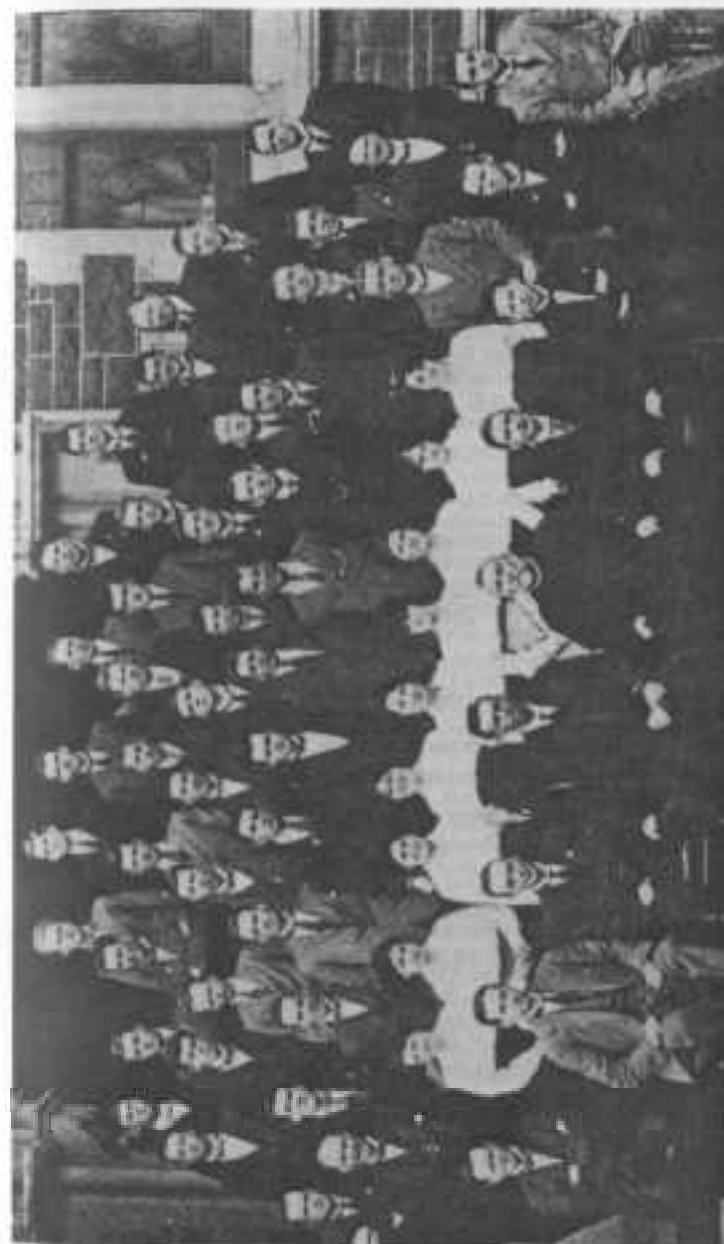
These prescriptions may bring back memories to students of later years, and underline the fact that there was much that remained relatively unchanged over many years after 1914.

A separate course in "Accounting and Business Practice" is listed in the 1914 Calendar, presumably to prepare students for the examinations under (2) and (5) above.

Lest it be thought that Mr Reid was not earning his fee, or was enjoying too many evenings at home, it should be noted that he was responsible in 1914 for two courses in Auditing as well as the courses in accounting, one in Elementary Auditing (for the Professional Intermediate Examination) and one in Advanced Auditing (for the Final Professional Examination). For those readers with an interest in Auditing, here are the topics covered in these courses:

Elementary Auditing:

"The principles of auditing; the scope, object, and advantages of an audit, the rights and duties of an auditor; the audit of accounts of trading and manufacturing businesses, with special attention to vouching; the verification of the existence and values of assets in such concerns".



*Commerce School, 1919
The Dean, Mr G. W. Reid, is flanked by Mr J. M. Paterson and the Ven. Archdeacon Woodthorpe (lecturer in Economics).*

Advanced Auditing

"The subjects specified in Elementary Auditing are treated in a more advanced way; while special attention is given to the following:- An auditor's duties with regard to the audit of the accounts of joint stock companies and municipalities; investigations; programme of audits of various kinds; auditors' certificates and reports; legal decisions affecting auditors".

Accounting tutors

It is not surprising that a decision was made to appoint tutors to assist with the sessions on "Practical Book-keeping". Some of these tutors are remembered for their important contributions to the accountancy profession and to business. The tutors in 1920 were Mr C.T. Lee, who became manager of a major department store (D.I.C.) and Mr James Hogg who became prominent in manufacturing while manager of a soap factory (McLeod Bros. Ltd.). Mr Len M. Satterthwaite (1929) became a leader in the profession whose service is commemorated through the L. M. Satterthwaite Library of the N Z Society of Accountants. There have been many other able professional accountants who have contributed as tutors over the years.

Female students

There is evidence that women students were attracted to and welcomed in the Commerce courses. The photograph of the "Commerce School, 1919" in Professor G. E. Thompson's History of the Otago University includes nine women in a total group, including teaching staff, of 59. The 1920 Calendar goes to some pains to welcome female students, by intimating:

"The following points are worthy of note:

1. The classes are open to persons of both sexes without restriction as to age or occupation".

The "both sexes" were shown in heavy print to emphasise the point.

A continuing problem

One of the problems faced by the teacher of a first-year class in Accounting is to deal effectively with a group where some students have acquired already some knowledge of the subject while some are approaching the subject for the first time. It is interesting to read in the 1919 Calendar regarding the introductory course in Book-keeping and Accounts that "to increase the efficiency of the class" students were graded into two groups, Group A "comprising those with no previous knowledge of the subject, or (and?) those wishing to start with first principles", and Group B for the remainder of the students.

Establishment of the Faculty

The first classes in Commerce subjects were held in 1912. The legal profession had achieved a similar development in the same year, previous course offerings in Law having lapsed for a number of years. A Faculty of Law was established in June, 1913. Late in the same year, the University Council decided

to establish a Faculty of Law and Commerce, and the actual establishment took place early in 1914, Mr H D Bedford being appointed Dean.

Mr Bedford was a man of extraordinary ability and determination. After leaving school, he worked in the tailoring trade and later in farming and blacksmithing. But his intellectual talents would not be denied. He passed the matriculation examinations, graduated B.A. from Otago with distinction in Economics, and M.A. with Honours in Political Science. He had a brief but lively career in politics, including a period in Parliament as a member for Dunedin. He went on to study Law, obtaining an L.L.M. in 1910 and a Doctorate in Literature in 1915. He practised law in Dunedin for 9 years. In February 1912 he was appointed lecturer in the legal subjects required for Accountancy Professional. In March of the same year he was appointed lecturer in the Law of Contract (a law subject). His appointment as Dean of the combined Faculty was understandable. But these were not his only contributions to the University of Otago. He was appointed Lecturer in Economics in 1906, Lecturer in History in 1910, and Professor of History and Economics in 1915- when Mr J M Paterson was appointed to succeed him as lecturer in Accountancy law subjects.

The outstanding career of Professor Bedford was to end tragically with his death by drowning at Whangarei early in 1918. He was replaced as Dean of the Faculty of Law and Commerce in March 1918 by a part-time lecturer in Law, Dr A A Finch. In September 1920 Mr G W Reid was appointed Dean of the combined Faculty in place of Mr Finch. At the same time, a recommendation was made to the University Council that there be established separate Faculties of Law and Commerce, and, after consulting the Professorial Board, Council set up the separate Faculties in October, 1920. In December, the recommendation of the Faculty of Commerce that Mr G W Reid be appointed Dean was approved.

For many years, the Faculty of Commerce membership included a significant representation from outside the Commerce area. For example in 1922 Mr G. W. Reid, as Dean, was supported by Mr J. M. Paterson (Commercial Law), with Professor Pringle (Economics), Professor G. E. Thompson (Modern Languages), Professor W. N. Benson (Geology), and Professor J. R. Elder (History).

The minutes of Commerce Faculty meetings date from 1952. I have found no evidence of Faculty meetings prior to 1952, and presume that, if any were held, they were informal. The probability is that the Dean managed quite well without formal meetings! It would be a case of Dean's edict, with occasional recourse to the telephone.

B.Com degree: Accountancy Professional qualification

The requirements of the Bachelor of Commerce degree offered by the University of New Zealand up to the time of devolution to individual universities (1954) were influenced materially by the New Zealand Society of Accountants. In 1913/14 there were degree subjects to cover the requirements for the Accountancy Professional course, so that the examining for the professional qualification in accountancy was carried out by the University of New Zealand. These subjects were:

Compulsory to all B.Com students:
Book-keeping and Accounts (Elementary)
Mercantile Law - shown in 1916/17 as Mercantile

Papers
2

Law Stage 1	
Mercantile Law Stage 2	
<u>Available from the optional units</u>	
<u>Counting as full units:</u>	
Book-keeping and Accounts (Advanced)	2
Law of Bankruptcy	1
Law of Joint Stock Companies	1
<u>Counting as half-units:</u>	
Auditing (Elementary)	1
Auditing (Advanced)	1
The Rights and Duties of Trustees under Wills and of Receivers: (Elementary)	1
(Advanced)	12

The accountancy major wishing to complete a B.Com degree would have to pass a further eight compulsory papers, spread over six subjects:

	<u>Papers</u>
Modem History	
Economic Geography	
Economics - as for B.A.	2
Statistical Method	
Currency and Banking	
French or German or Spanish	2
	8

Other students had to pass the compulsory units, including Elementary Book-keeping and Mercantile Law, and not less than five units selected from the other accountancy subjects and single papers in Economic History, Geology, Inorganic Chemistry, Physics, Industrial Law and Actuarial Mathematics. There was no provision for a student wishing to advance in Economics. The course for the non-accountancy major had lots of variety but lacked depth.

Students were not entitled to degree credits unless they passed at least three subjects in the particular year, but could get credit for fewer in their final year in order to complete their degree. A further constraint was that students could not sit more than six subjects "at the same time". Presumably this meant in the same year. Provision was made for special examinations, no doubt to reduce the harshness of the three subject pass constraint.

The Examination for Book-keepers, also conducted on behalf of the N Z Society of Accountants, consisted of two papers in Book-keeping.

The 1915/16 Calendar of the University of New Zealand introduced the advanced qualifications of Honours in Commerce and Master of Commerce. For Honours, students were required to sit and pass four papers within two years of passing B.Com and to submit a thesis. Three of the papers were as for Economics for Honours in Arts and one could be either a further Economics paper or a paper from Honours in Law. The requirements for Master of Commerce were the same, but without the time constraint. The obvious problem for the B.Com graduate was that his course had not taken Economics beyond a fairly elementary level. In spite of this, some brave and very able students were successful in graduating M.Com during the following years.

In the 1919/20 Calendar the coverage of the compulsory introductory course in Book-keeping was broadened, under the new subject title "Book-keeping, Accounts, Business Organisation and Methods". With external examining, it was necessary to set out the course content of each professionally oriented subject in considerable detail. The additional topics covered, to justify the new subject title, were:

"...statistical records and returns; percentage; treatment of correspondence; mail and goods routes for the home and foreign trade of New Zealand; customs entries; borrowing on overdraft or on fixed loan secured by mortgage; debentures; inscribed stock, bond warrants and negotiable scrip; the conduct of meetings and the recording of minutes; preparation of land and income tax returns; commercial terms and abbreviations".

The 1927 Calendar of the University of New Zealand provides evidence of a move to broaden the scope of the B.Com degree by catering for interests other than those of the accountancy profession. In particular, there was a desire to service the Diploma in Banking course, and also the needs of business generally, including manufacturing industry. At the same time the course was directed more closely towards business by a radical revision of its compulsory units, now:

	<u>Paper</u>
Economics (as for B.A.)	2
Economic History (as for B.A.)	1
Economic Geography	1
French, or German or Spanish or other modem language acceptable to the University	2
Book-keeping, Accounts, Business Organisation and Methods	2
Mercantile Law Stages 1 and 2	2
	10

Students had to select two units from a set of subjects:

	<u>Papers</u>
Advanced Economics	1
Modem History	1
Statistical Method	1
Currency and Banking	1
Actuarial Science	1
Psychology	1
A modem foreign language (extra to compulsion)	2

They then had the choice among three specialisations, in order to complete their degrees - Accountancy, Banking, and Industry and Trade. All the subjects in one group had to be passed. The subjects were:

<u>Accountancy Group:</u>	<u>Papers</u>
Book-keeping and Accounts (presumably Advanced)	2
Auditing	2
The Rights and Duties of Trustees under Wills and of Receivers	1
The Law of Bankruptcy	1
The Law of Joint Stock Companies	1
	7

Banking Group

Banking, parts I and II
Commercial and Banking Law, Parts I and II
Currency and Banking
Bills of Exchange Act 1908 and amendments
Public Finance
International Trade

Industry and Trade Group

Business Organisation and Scientific Management
Works and Factory Accounting
Industrial Law
Physics or Chemistry or Geology or Psychology
One of the following:
International Trade
Law of Joint Stock Companies
Industrial Psychology

Kinder thoughts, or an aversion to specials as an extra chore, resulted in a reduction to two of the subjects that had to be passed in any year.

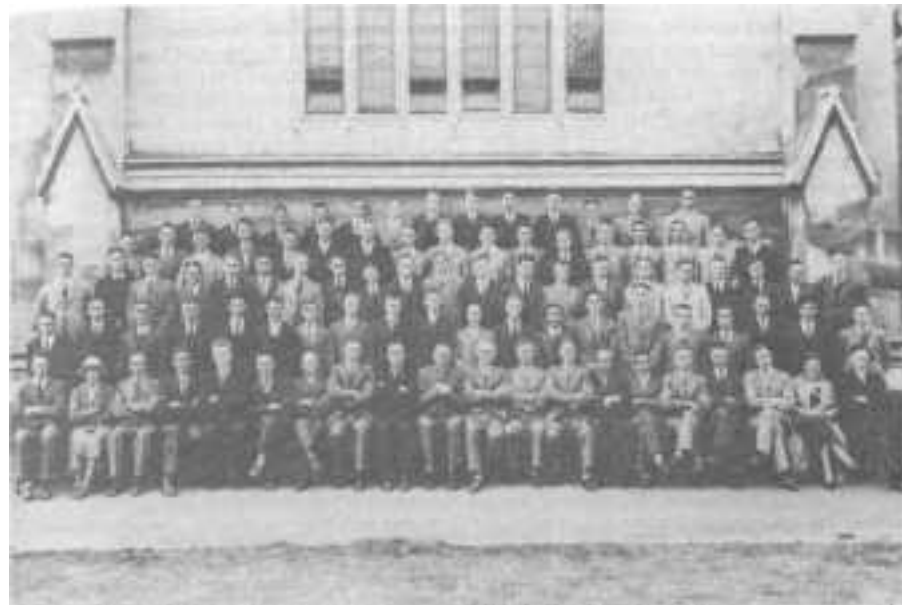
The new multi-purpose degree was not without merit, but it was one thing to design a degree structure and quite another to have courses provided in the teaching universities. It is probable that there were no entrants for a B.Com centred on "Industry and Trade", for instance. Many years were to pass before special courses were provided in Cost Accounting, and even more before classes in Management became a feature of Commerce degree programmes. But the new degree provided a rather better background for accountancy majors to proceed to Honours and M.Com, with the inclusion of Economics beyond Stage 1.

The years saw an increase in the coverage and level of difficulty in the Book-keeping and Accounts courses. In 1932 the Accountancy Group included Book-keeping and Accounts Stages 2 and 3, each with two papers. In 1939, Stage 3 extended to three papers. The prescriptions at all three stages* speak for themselves, and illustrate the need for a precise definition of course content in circumstances where external examinations determine the results obtained by individual students and teaching institutions. It was customary for students to be faced with a one question three hour test of knowledge and ability in double entry accounting, and another paper with shorter questions on specific topics, most requiring practical rather than written answers.

External examining

There was no input from teaching institutions to affect the grading of individual students. Results were dependent wholly on performance in the end-of-year external examinations. It was natural in these circumstances for teachers to design courses that conformed closely to the detailed prescriptions and were aimed to assist students in the final examinations. This unhappy constraint on teachers was balanced to some extent by the relationship between teachers and students who shared a common objective. Under an external examining regime, the teachers were seen as helpers, as collaborators. When internal examining replaced external a considerable time later, the teacher became the problem to be overcome - but he did have much more freedom in the design of courses and, with internal assessment, students were less dependent on their results in final examinations.

*Shown in the unabridged edition



University of Otago Commerce Faculty 21st Anniversary 1933

*Back Row: —, F. J. MacLean, —, G. B. Falck, C. K. Melville,
R. S. Roxburgh, H. Benfell, G. L. Eastgate, E. Munro, —, —.*
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W. M. Smith, B. MacKenzie, J. Allen, E. O. Hunter, J. A. Henderson, —.*
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—, A. N. Lawson, —, —, A. C. Cameron, J. Falconer, —, W. R. Hanning, R. H.
Jacobs, —, L. Perriman, —, A. W. Gray, —.*
*Second Row: McClymont, J. J. O'Dea, W. G. S. Reid, W. A. Williamson, —, —,
T. K. Cowan, —, T. S. Barker, J. D. Nanning, —, —, A. O. Melville, W. P. Wellington,
R. Lee, W. Clarke, D. Rutherford, C. B. Stuart, J. J. Morris, L. H. Harris.*
*Front Row: J. H. Gilkison, J. E. Butler, H. C. Gray, J. W. Hayward, W. G. Hilliker
(Tutor), J. Shearer (Lecturer in Economics), L. D. McIver (Lecturer in Auditing),
R. J. Cook (President, Commerce Faculty Students' Association), A. Thomas (Lecturer
in Bookkeeping and Accounts), J. M. Paterson (Lecturer in Law subjects, Dean),
W. R. Chapman (Vice-President, Commerce Faculty Students' Association), A. G.
B. Fisher (Professor of Economics), L. M. Satterthwaite (Tutor), W. F. Tichever (Tutor),
A. W. Stewart, A. K. Ibbotson, H. M. Manning, W. S. Gilkison, P. Coombs, —.*
(The names were recorded by Mr W. S. Gilkison)

The situation in 1933

When I enrolled at Otago as a Commerce student in 1933, the Dean was a well-respected solicitor, Mr J. M. Paterson, M.C., M.A., LLB. Mr A. Thomas, M.Com, manager of the Dunedin Savings Bank, had just taken over (in 1932) from Mr G. W. Reid as lecturer in Book-keeping and Accounts, and Mr L. D. McIver in Auditing. Mr (later Professor) G. C. Billing had just joined the faculty as a full-time lecturer in Economics. The study objectives of students had changed little over the first 20 years, nor had the arrangements for classes. Book-keeping and Accounts was now taught in three stages. Students taking Stage 1 attended one evening a week for one hour of "Theory" and one hour of "Practical", with tutors assisting in the "Practical" session. Stage 2 students had one hour of "Theory" and two hours of "Practical", attending on two evenings a week, while Stage 3 students attended for two hours on one evening. A student taking Auditing had another evening class of 1 1/2 hours. Morning lectures starting at 7.45am were provided for students taking business law subjects. The indefatigable "J. M." Paterson examined the intricacies of Mercantile Law 1 on Mondays, expounded on Bankruptcy Law on Tuesdays, extended to Mercantile Law 2 on Wednesdays, produced a diet of Trustee Law on Thursdays, and rounded off with a coverage of Company Law on Fridays. "J. M." was appointed in 1918, while on active and distinguished war service. He retired finally in 1951 - 33 years later after serving as Dean of the Faculty since 1932. His was a quite remarkable contribution.

The Economics Department has been established as a department of the Arts Faculty over the years, but has provided teaching for generations of Commerce students. In 1933, classes were provided in Economics, Currency and Banking, Economic History, Statistical Method, and "Advanced Economics" (an alternative to going to Stages 2 and 3).

My own studies

My own B.Com degree, which must have been typical of the years immediately pre-war, comprised 15 units, (including Commercial French and, presumably, another paper, as a substitute for the Modern Foreign Language requirement) and was completed part-time over the five years 1933-7; and my M.Com degree took a further two years of part-time work in the field of Economics. The lack of study to stage 3 in Economics was a significant handicap. I was left with a keen desire for some broadening of my education, satisfied to some extent by taking extra courses in Philosophy and Political Studies. My subsequent work experience in a modest but independent management position convinced me that the Commerce degree courses were too narrow and professionally oriented. That conviction was to find expression much later in an endeavour to improve and to broaden the scope of the B.Com degree at the University of Otago.

PART 2: THE PART-TIME YEARS

Outstanding teachers and tutors

Teaching in Commerce subjects continued along very much the same lines during the predominantly part-time years, up to my appointment as the first full-time lecturer in September 1960. There were changes in staffing. As already noted, in 1932 Mr A. Thomas took over the accounting classes from Mr G. W. Reid, and Mr L. O. McIver the auditing teaching. Mr McIver continued in that role for over 20 years - until 1953. The year 1936 brought Professor Ralph W. Souter to the chair in Economics in place of Professor Fisher, and Dr G. C. Billing contributed first as lecturer and later as a replacement (in 1947) for Professor Souter following his untimely death. Mr F. M. (Mark) Hanan joined the faculty in 1939, contributing lectures in Secretarial Law and Practice as a non-degree (professional) unit, and continued to serve in that capacity for many years. He was followed by Mr R S M Sinclair, a practising accountant suited admirably for the teaching role, having academic qualifications in Law as well as Commerce (M.Com), in Arts, and in Social Science. Mr J. M. Paterson replaced Mr G. W. Reid as Dean of the Faculty in 1932 and served in that capacity until Professor Billing took over in 1952. In 1947 Mr J. A. Valentine and I were appointed, to take over the classes in Accounting from Mr A. Thomas, as part-time lecturers, and we both became members of the Faculty in 1948. Mr J. P. Cook (now a Judge) replaced the remarkable "J. M." Paterson as teacher in the business law courses, and drew on the legal profession for aid (in particular, his partner Mr N. W. Allan). This team provided part-time teaching to Commerce students for a considerable period. In 1954, a leading practitioner Mr W. S. Gilkison replaced Mr L. O. McIver as part-time lecturer in Auditing, and he too made a significant contribution in teaching, as a member of faculty, and as a strong supporter (and, where he saw necessary, critic) of Commerce teaching at Otago. Another sterling contribution was made by Mr H. S. J. Tilly as an enthusiastic and very able lecturer in Cost Accounting from 1953. It was possible to draw on the profession for tutors in accounting over the part-time years, and they brought the fruits of their knowledge and practical experience into their direct interaction with students, to the considerable benefit of the latter. The University owed a considerable debt to all these teachers and tutors, whose remuneration was always well below the value of the contribution made. Indeed, the Commerce Faculty of the University, with its growing numbers to use as justification for financial support to the University of Otago, and its very low cost in accommodation, services, leave and library, must have made a significant contribution over the part-time years to the financing of other sections of the university - as I had some satisfaction in pointing out in later years to the authorities and beneficiaries as I did battle in the competitive university environment for more resources in Commerce!

The part-time teachers at the University of Otago during the years up to the 1960's served their students and the University very well. They included many men who were or were to become outstanding professionals in their own fields. They brought to their lectures the fruits of their personal professional experience. Several wrote text books in their subjects which were adopted widely within New Zealand. When examinations were conducted wholly by the University of New Zealand, Otago students typically scored very well. As a result of this fortunate situation, the University of Otago was the teaching institution favoured by almost all accountancy students in the region.

The part-time teachers of this era made up a good team. With a set of strong

individuals, there were bound to be some differences of opinion, but these were invariably constructive and there was a mutual respect that made for harmony. In spite of the constraints of detailed national prescriptions and of external examinations, each teacher enjoyed considerable freedom in teaching his particular subject. Relationships with the accountancy profession both locally and nationally were excellent. Staff members were treated as honoured guests at the annual Commerce students' Ball; and teachers' interaction often extended into the sphere of work. Professional teachers gained status, and no doubt some clients, through their association with the University. However some deeper problems were being recognised, leading to a need to change.

Student numbers to 1952: Student objectives

There was little change in the make-up of Commerce students over the years 1924 to 1952. Here are figures for selected years:

	1924	1929	1934	1938	1943	1948	1952
Men:							
Graduates	2	7	2	11	3	8	-
Undergraduates	38	78	132	106	37	235	11
Non-Matriculated	58	40	25	14	3	10	173
	98	125	159	131	43	253	184
Women:							
Graduates	-	-	-	-	1	-	-
Undergraduates	2	4	2	12	11	12	1
Non-Matriculated	6	1	2	1	6	-	8
	8	5	4	13	18	12	9
Total	106	130	163	144	61	265	193

Commerce students made up about 10% of total university rolls.

The immediate post-war years saw a large influx of students: Commerce student numbers were:

1946:289; 1947:282; 1948:265; 1949:241.

There was a big fall away in 1950 to 180, as ex-servicemen either achieved qualification or withdrew.

The first Annual Report for the Faculty was for 1952, and included an interesting breakdown of students:

	Men	Women	Total
Full-time graduates			
Full-time undergraduates	11	1	12
Teachers and Training College Government and Local Body employees	5	1	6
Employees of private firms	46	3	49
Others	121	4	125
	1	-	1
	184	9	193

That the primary objective of most students was the Accountancy Professional qualification rather than a degree is evidenced by the number of students graduating:

	1952	1951
M.Com	2	
B.Com	14	10

For the great majority of students, the University was an effective provider of out-of-working-hours tuition in Accountancy Professional subjects

Accountancy orientated students proceeding to a Bachelor of Commerce degree in 1950 would have been required to pass, in additional subjects:

Economics 2
 English 1, or a modern foreign language
 An Arts unit not otherwise included
 Elementary Statistics for Commerce (one paper).

Economics majors were able to substitute a B.A. or B.Sc. unit for one of Accounting 3, Auditing and Cost Accounting.

These requirements were less of a constraint than those before 1950, but still lacked attraction to most students who would have had to take time off from work to attend lectures, and who had probably had their enthusiasm for study blunted by at least three years of the constraints of morning and evening classes, and night and weekend study. But most of these students were to enter a profession which was in growing need of high calibre and trained minds, of people with abilities that extended beyond coping with accounting and auditing routines and with knowledge of a broader field than accounting, auditing, business law and taxation laws and procedures.

1. Enrolments in classes in 1952 were:		
Accounting 1	66	Statistical Methods 2
Accounting 2	34	Economic Geography 2
Accounting 3	44	Economics - including other
Auditing	36	than Commerce students:
Commercial Law 1	64	Stage 1 59
Commercial Law 2	42	Stage 2 22
Trustee Law	45	Stage 3 12
Secretarial Law and Practice	19	Economics Honours 5

PART 3: THE PROCESS OF CHANGE

The Profession and the University of New Zealand

The Council of the N Z Society of Accountants was concerned over the need to expand and to upgrade its entry. Further, there were serious problems in the preparation of students in regions less well served than Otago, and failure rates were high. No doubt there was a concern also for the status of the profession, and to keep up with what was going on in the educational field overseas. The Society sent a Memorandum to the University of New Zealand in 1950 expressing its concerns, with the result that a committee was set up in 1951 to report to the Academic Board on the future development of Accountancy in the University of New Zealand. The committee comprised the Vice-Chancellor, three members of the Academic Board of the University, the full-time heads of the Accountancy departments at Victoria University College and Auckland University College, and "one representative of the Faculties of Commerce at Otago and Canterbury" (presumably one each?). The recommendations of this committee were quite far-reaching:

- "1. That this Committee believes that Accountancy taken to Honours level could be a discipline adequate in a University to warrant the establishment of Chairs within it.
2. That it should be a condition for the establishment of Chairs, and in any case desirable from the standpoint of the development of Accountancy in the University, that teaching and examining should be conducted in the Colleges as they are now in Arts and Science.
3. That the Colleges conduct their own degree examinations with the co-operation at Stage 3 of the N Z Society of Accountants. The Committee suggests that the Society recognise the College examinations for the purpose of the Accountancy qualifications."

The decision of the Academic Board in 1952 was to defer further consideration of these recommendations until there had been consultation with the N Z Society of Accountants. Then in 1953 the Board decided to hold the question of Chairs in abeyance, but to approve the discontinuance of joint University/Society examining in Accounting 1 and 2 and Commercial Law 1 and 2. The third recommendation was approved, but with removal of the phrase "...with the co-operation at Stage 3 of the Society of Accountants". The N Z Society of Accountants was to be asked to recognise degree passes in Accounting 1 and 2 and Commercial Law 1 and 2 as credits towards the Professional examinations. Further, the Board was of the opinion that in due course a paper or papers in Accountancy might properly be included in the prescription for M.Com and M.Com with Honours".

University devolution

During this time, epoch-making discussions were going on within the universities which led to the N Z University Amendment Act 1954 providing for the devolution of the University of New Zealand and the recognition of the Colleges as separate universities. Freedom was in the air, but not unrestrained freedom which could lead to wasteful duplication. A restraining role was to be played by an inter-university Curriculum Review Committee which had to

approve course changes involving the use of national resources in the individual universities.

The first Commerce Faculty meeting

In the circumstances, it is not surprising that, when Professor G. C. Billing took over as Dean of the Faculty of Commerce in 1952, he began formal meetings of the Faculty. The first meeting on March 26, 1952 was attended by the Dean, Professors W. P. Morrell (History), R. C. Silver (Modern Languages), Dr B. H. Howard (Liaison Officer - i.e. with the schools), Messrs J. P. Cook (Commercial Law), L. D. McIver (Auditing), R. S. M. Sinclair (Secretarial Law and Practice) and T K Cowan and J. A. Valentine (Accounting). That first meeting must have been a short one. Matters dealt with were the nomination of joint (Teacher and Professional External) examiners in Accounting 2, the assessment of interest in a class in Cost Accounting, and, interestingly, the detailed requirements for furnishing a room at the University for the use of Commerce lecturers.

Chairs in Accountancy

The next meeting, on April 23, 1952, must have been much more lively. A discussion on the desirability or non-desirability of setting up Chairs in Accountancy led to the adoption, for submission to the Professional Board, of an adverse view - that:

A full time Chair occupied with a large amount of teaching is undesirable because the holder will rapidly become out of touch with the practical development of his subject at the undergraduate level. This work is better done by the present part-time lecturers.

- b. A full-time Chair could be justified only if the holder devoted most of his time to research in national or social accounting, e.g. approach through the accountancy to the relations between national and private enterprise. It should be considered only if adequate access to material for study is assured".

The possibility that accountancy teaching, particularly in accounting, might over time tend to become divorced from the "real world" of practice was a real one (and it continues!). Academics in medical education had direct involvement with patient care in hospitals and with practical medical research. Full-time academic accountants lacked this constraint, and might be unable or unwilling to bring the fruits of practically orientated research and experience into their teaching, and to provide challenging leadership in the thinking and practice of their profession.

Courses in Management?

This same meeting set up an "Industrial Relations and Business Administration" Committee to report on "the proposals and previous recommendations". Presumably proposals for the University to provide courses in Management had come from the N Z Institute of Management. In view of

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1. I was the first Branch Secretary of the Otago Division of the Institute, which was established post-war.

subsequent developments, the recommendations of this committee were adopted unanimously at a Faculty meeting on 9 September 1952'.

- "1. That, at the moment, the subject of Business Organisation and Management cannot be viewed as a suitable academic subject for University tuition (and therefore for inclusion in the present Commerce courses), nor could the proposed subject be suitably attached to, or made part of, any existing subject in the B.Com degree or course for Professional Accountancy.
2. That the University of Otago should nevertheless offer its co-operation to the Institute of Management by providing accommodation and the services (if desired) of members of its academic staff, should the Institute wish to conduct a limited series of suitable evening lectures in the subject.

It is recommended that the University of Otago permit such a "course" to be instituted with its approval and co-operation, the programme to be suggested by the Institute, approved by the Faculty of Commerce and to be open to students of all faculties and to the public. The lecturers need not be members of the academic staff.

Comment: The "course" suggested would fill two functions:

- (a) To assist the Institute of Management in the desire to provide special educational facilities in its own sphere.
- (b) To enable the University to assess the value of, and the demand for, such a course as a guide to future action.

The committee draws attention to the following matters:

- (a) "A similar subject appeared as an option in the B.Com course some considerable time ago, and was eliminated.
- (b) It is understood that the Society of Accountants, for which the University acts as tutorial and examining body, does not view the introduction of this subject to its syllabus with any favour".

The conclusions of the committee and decision of Faculty reflected to some extent the attitudes then current to management education at university level, though the withdrawal of an earlier course which had not been backed by teaching resources was a dubious justification for rejection.

Extramural students

A quite significant decision was made at a Faculty meeting on 2 March 1953 regarding extramural students:

"That the Faculty holds the view that the granting of exemption from

1. I was not present.

personal attendance at lectures should not be encouraged... (but) the matter (of assistance to extramural students) should be left to the discretion of the individual lecturers."

In later years considerable help was provided to extramural students living in the Invercargill area. This set something of a precedent which gained wider adoption in some other faculties. It certainly led to generally amicable relationships between the business and accountancy professional community in Southland and the University of Otago.

Academic changes

At meetings in 1954 Faculty supported in principle the proposal that Accountancy be an optional paper in the M.Com course. More controversially, Faculty supported continuation of final examinations in accountancy subjects by joint teacher/professional examiners, a procedure which had worked very well at Otago, but less well at some other centres. Internal examining in Accounting 1 and 2 and Commercial Law was adopted finally, to be introduced in 1956. The problem of acceptance for professional credit of university passes in these subjects was overcome by an agreement that the university select professional assessors from a panel provided by the N.Z. Society of Accountants. Considerable concern was expressed on behalf of the Society that there be a substantial common coverage in each subject (but with right to add). (In the event, this proved to be impracticable as it was out of tune with the independent operation of university departments of Accountancy. The Society exhibited a commendable broadmindedness over the matter - forgoing eventually, and with understandable misgivings, any direct control over the detailed content of the more advanced courses).

Views from abroad

The Dean, Professor G. C. Billing, took refresher leave during 1956. In the report on his leave, he stated that a main object of his leave was to enquire into the organisation of degrees in Commerce in the United Kingdom. He met general criticism that our Otago degree (inherited from the University of New Zealand) was overloaded in the interests of the requirements of the professional accountancy course. He was favourably impressed by some comments by Mr C. A. Whittington-Smith of Sheffield that:

"No subject more urgently needs academic treatment than accountancy".

"A part-time teacher could do little more than teach; he lacked time for research, reading and thinking".

"The numbers taking the accounting subjects at Otago.. would justify the appointment of a full-time teacher."

Similar views were expressed by Professor Browning of Glasgow and Professor David Solomons of Bristol (who moved later to the Wharton School of Business in Philadelphia and gained an enviable reputation as an accounting academic and author). Professor Solomons saw merit in a full-time departmental head for a Department of Accounting, supported by a part-time staff. "In USA, teaching in accounting was organised round full-time teachers who also do consulting work."

Proposals for change

Professor Billing put forward two questions for examination at Otago:

1. Should steps be taken to organise the teaching of Accounting in a department with a full-time head?
2. Would it be a forward move to have a Faculty of Economics and Commerce, instead of having the Economics Department continue in the Faculty of Arts?

He also raised the question of the degree structure as it affected non-accountancy majors.

In response to this significant report, Faculty set up a committee comprising the part-time staff in accountancy related subjects and Mrs D. Y. Bell (Economics) to report on the matters raised by Professor Billing. The report of this committee, received at a Faculty meeting on 5 June 1957, supported unanimously and strongly the establishment of a Department of Accountancy, but with a part-time rather than a full-time head, on the grounds that "...accounting cannot be taught adequately, effectively and with confidence unless it is also practised." The committee urged the provision of "the means and incentive" for part-time staff to play their part more adequately in a properly constituted Department of Accountancy, proposing that there be minimum attendance requirements, regular departmental meetings, adequate (staff) accommodation, including telephone, and "remuneration in keeping with the increased demands in time of this proposal".

The committee favoured the inclusion of the Accountancy and Economics departments in a Faculty of Commerce, with both departments being entitled to permanent representation on the Faculty of Arts.

The decision of the Faculty was that there should be no change in the constitution of the Faculty. (Some reluctance to accept the committee's proposal could have been expected from members of the Economics Department, who had had a long association with the Arts Faculty, and who recognised that many graduates majoring in Economics found employment within government rather than business. On the other side, teachers in accountancy subjects may have seen the proposal as liable to influence their courses away from the practical to an undesirable extent, and to lead to a faculty dominated by economic theorists. Was an opportunity lost?).

Faculty recognised that the B.Com degree regulations did not provide adequately for non-accounting majors, but did not move to correct the situation.

Department of Accountancy

As a result of this meeting, the Dean put forward a recommendation for the establishment of a Department of Accountancy, quoting the significant student numbers in 1957:

Accounting 1: 64, Accounting 2: 32, Accounting 3: 48
Commercial Law 1: 62, Commercial Law 2: 36, Auditing: 36
Cost Accounting: 12, Trustee Law: 40, Secretarial Law and
Practice: 27.

Views on accountancy education: 1957

The education of entrants to the profession had become high on the agenda of the Council of the N Z Society of Accountants. A questionnaire had been sent to teaching institutions, including the University of Otago, seeking views on aspects of accountancy education. The response of the Faculty of Commerce, approved on 31 October 1957, reflects in particular the views of the part-time teachers in accountancy subjects at the time, and are important for that reason. The responses, set out in full in the unabridged edition, stressed, *inter alia* ;

1. That there was more to accountancy education than the setting of a syllabus.
2. That it was desirable to build accountancy education on a broad educational base.
3. That students of above average ability should be encouraged to complete the B.Com degree, and to take the first two years full time, concentrating particularly on the Arts subjects.
4. That New Zealand text books in Accounting were inadequate.
5. That the "demand for day lectures would not justify their introduction at present".

Chairs in Accounting

There was mounting pressure at this time for the establishment of Chairs in Accountancy at the New Zealand universities. In spite of devolution, the Academic Board of the University of New Zealand continued to function. At its June 1958 meeting, the following resolutions of a Conference on Accountancy Education (29 April 1958) were noted:

"..that in view of

- (1) The important new developments in the accounting field, with rapidly changing methods of treatment and assembly of accounting data, and an increasing emphasis on interpretation of accounting results which has taken place during the post-war years,
- (2) The increasing emphasis on the teaching and understanding of accounting theory, and the linking of the fields of accounting and economics, including the field of social accounting,
- (3) The constantly increasing complexity of modern accounting and financial problems such as those arising from the effects of inflation on accounts,
- (4) The need to remedy a serious lack of accountancy textbooks in New Zealand,
- (5) The need for intensive research in the N Z accountancy field and of the wide publication of the results thereof,

this Conference reiterate the resolution passed at the Conference of 20/5/52, namely

"That this Committee believes that Accountancy taken to Honours level could be a discipline adequate in a University to warrant the establishment of chairs

within it', and accordingly emphasises that it supports the establishment of chairs in Accountancy within the University at the earliest possible moment .

The decision of the Academic Board was to "reaffirm its previous resolution that no action be taken until one of the Universities makes application to establish a Chair".

Electronic data-processing

Following discussion at Faculty on the implications for Commerce courses of the increasing application of electronic data processing in business, a strong committee' was set up to examine the topic and to report back. In the light of future events, the report, adopted on 27 June 1958, is of some interest. The opinion of the committee was that "while there will be a considerable increase in the use of electronic computers in the future, the field in New Zealand will be comparatively small". Some teaching of "the elementary principles of data processing and the capacities of electronic computers" should be provided, preferably as part of the accounting course.

It would be unfair to see these decisions as showing conservative attitudes to change. Who could have foreseen the extent of miniaturisation in hardware, with its profound effects on equipment costs, and the concurrent developments in software systems, of the years that followed?

Management education

At the same time, faculty was debating the case for university involvement in the teaching of Management. I had a considerable interest in this because my own experience in management during the war years had convinced me that our B.Com courses were too narrow and so provided an inadequate preparation for enterprise leadership. Further, I had been active as branch secretary and in other ways in the Otago Division of the N Z Institute of Management, and was convinced of the importance to the economy, to individual enterprises, and to employees, of high standards of management. Professor Billing was concerned to provide further educational opportunities for graduates in Economics and for business executives, and had raised the possibility of an Otago Business Diploma. In order to make progress, a committee of Faculty was set up to report on both topics. I convened this committee, and its report is of no small interest in view of subsequent developments. The (interim) report was in two sections, A and B, and A, dealing with management education, is set out below:

INTERIM REPORT OF SUB-COMMITTEE APPOINTED TO CONSIDER PROBLEMS OF MANAGEMENT EDUCATION AND ESTABLISHMENT OF A DIPLOMA IN COMMERCE.

A. Problems of Management Education

- (1) Those individuals who seek facilities for education in the specific field of management fall into four groups:

1. The Dean (Professor Billing) , Professors Nimmo (Physics) an Sawyer (Mathematics), Dr Bernadelli (Statistics), Mrs Bell (Economics), and Messrs Cowan and Valentine (Accounting).

- (a) The business executive who seeks advanced knowledge in a specialised field of management.
- (b) Graduates of the University who wish to enter industry or commerce and who require a basic introduction to the skills of management.
- (c) Junior executives or potential executives who wish to equip themselves for future executive positions or higher executive positions.
- (d) The technicians in industry and commerce who wish to extend their knowledge and background.

- (2) The Universities of New Zealand do not provide facilities for education in management. Limited courses are available at the technical colleges, and these are suitable for those persons who fall into category (d) above.

The business executive who seeks advanced knowledge in the specialised field of management has two choices:

- (3) (i) To gain his knowledge to the best of his ability by day to day experience and by reference to overseas text books, journals and other publications in the specific field he is interested in,
or (ii) To proceed overseas and study his particular subject at a University or University School which provides facilities for study in this field.

To meet the needs of such persons, and to encourage them to undertake management education to a high level, it is desirable that there be established in New Zealand a national school of management. The best site would be a main centre other than Dunedin.

- (4) The problems of those in categories (b) and (c) viz: graduates of the University who wish to enter industry or commerce and who require a basic introduction to the field of management; and junior executives or potential executives who wish to equip themselves for advancement in management positions, are similar in many respects. Time is an important factor, and education at the local university is desirable.

The proposal to meet the needs of these individuals is a short diploma course at the local university. For content, see part "B" of this report.

- (5) The technicians in industry and commerce who wish to extend their knowledge and background are catered for fairly adequately by the classes in management provided by the technical colleges.

An Otago Business Diploma?

In Part B, the committee put forward for discussion a tentative proposal for an Otago Business Diploma, designed to meet the needs of those in categories 1(a) and (b) (in Part A). The proposed requirements were:

Compulsory subjects:

- Economics 1 (2 papers)
- Commercial Law 1(a) (The Law of Contract) (1 paper)
- Marketing and Statistics (1 paper)
- Principles of Management: (2 papers)
- Plus any two of Economics 2, Psychology 1, English 1, Philosophy 1, and Pure Mathematics 1 (but graduates were to be exempted from these).

It was more than a little optimistic to think that one paper in Marketing and Statistics could provide the suggested coverage of "Consumer demand and product planning, market research, business statistics, sales organisation and the management of marketing, and sales budgets and the control of (marketing) costs"; but at least there was in the proposal the potential to stimulate serious thinking about Marketing as a possible future teaching area. It was optimistic also to envisage a coverage in "Principles of Management" of "Production management, human factors in administration, management and the organisation, management and accounting, and the integration of business policies."

After considerable discussion, including some justifiable criticism of the Diploma course outline, Faculty decided to support the proposal that a national school of management be established, attached to a northern university. At the local level, it was agreed "that consideration be given to providing classes in management as a university subject, and of linking this with the establishment of an Otago Business Diploma . ." Further consideration was to be given to the proposed Diploma course, having particular regard to "graduate qualifications and options, the need for practical business experience, (and) the need for an investigation or report on some aspect of business working or management". An enquiry was to be made to assess the extent of support for the proposed Diploma course from local business organisations.

Business Organisation and Management

The Dean lost no time in putting the case to the Professorial Board and Council for the introduction of Business Organisation and Management as a new subject. His notes in support of the case (13 May 1959) are of interest:

"The decision of the Faculty of Commerce to recommend approval for the introduction of the new subject, Business Organisation and Management, and for the establishment of a Business Diploma, was based on two conclusions:-

1. The principles of management can be made a suitable University discipline. At Manchester a course has recently been organised including Management as "a compulsory and examinable discipline". Last week the London Economist reported that the University of Cambridge had approved the introduction of a course in the Faculty of Engineering which believes that, "there is a sufficient body of knowledge and that teaching can be of a sufficiently high standard to justify the introduction of teaching in management at a standard comparable to a Tripos". The course is to be at undergraduate level. The University has "stipulated for a trial period of five years, after which results will be evaluated". We cannot assume a similar standard of attainment among our students but, in the opinion of the Faculty, a similar experiment would be justified in the University of Otago.

2. The Faculty acted on the belief that industry might wish to provide the funds to make such an experiment possible. Similar developments have occurred in other places without any charge on the ordinary funds of the Universities concerned. It is assumed that the firms which provided the money would themselves provide a considerable proportion of the students taking the course.

The Faculty would certainly not propose to undertake teaching in this subject unless and until the services of a person highly qualified, fully expert, with wide experience in industrial countries overseas, had been obtained."

Professor Billing was successful in obtaining the necessary approvals. In the very conservative University of Otago, this was no small achievement. The matter of the appointment of a Senior Lecturer in this subject had been referred to the Staffing and Promotions Committee of the Professorial Board. According to the Dean's memorandum to members of the Faculty, "until a more adequate forecast of the demand for this subject and the means of financing its development (could be) determined, it appeared that no further action (could) be taken".

The Otago Business Diploma: Further Developments

The proposal for an Otago Business Diploma was referred to the Standing Committee of the Professorial Board. Faculty (and Council) had given its approval in principle only, as the content was still under discussion. The plan to provide an appropriate course in Commerce, particularly for graduates from other faculties, was of special interest to Professor Billing, who had put in more work on course design aimed at meeting the criticisms expressed at Faculty. The course was to be open not only to graduates but also to "...young men(!) - over 21 - who have not taken a University course, but who have developed an interest, or shown promise, in business administration". There were to be five subjects. He envisaged special classes in Accounting, Economics and Commercial Law, each two papers, covering selected sections of the first two years' programmes in each subject. The other subjects were as for B.Com - Elementary Statistics for Commerce (one paper) and Business Organisation and Management (three papers). The capstone was to be a 10,000 word essay in the form of a report on a supervised investigation carried out by the candidate. It was envisaged that an able graduate would be able to complete the course in a year.

Professor Billing made a significant contribution in indicating the need for an educational opportunity along the lines of the proposed Otago Business Diploma. It was not until some years later, and the appointment of a range of specialist teaching staff in the management area, that it was possible to introduce postgraduate and post-experience courses designed to meet this need. One can only speculate whether or not the course of events would have been different had it not been for his untimely death in October, 1959.

Establishment of the Department of Accountancy

Professor Billing had obtained the approval of the Professorial Board and University Council to the establishment of a Department of Accountancy. A sub-committee of Faculty chaired by Mr J. A. Valentine had prepared an acceptable statement regarding the Department and its Head. The final set of commendations approved by Faculty on 24 June 1959 is set out below:

"In June 1957 the recommendations of the Faculty as amended and approved by the Professorial Board were as follows:-

- (1) That there be established a Department of Accountancy with a part-time or full-time Lecturer or Senior Lecturer as its Head, whose duties would include the organisation of teaching in Accounting, Commercial Law and other Accountancy subjects.
- (2) That there should be provided at least sufficient finance for a minimum staff of one part-time or full-time Lecturer or Senior Lecturer in charge of the Department of Accountancy, and a sufficient number of other Lecturers and Tutors.

The University Council postponed consideration until more detailed arrangements were worked out by the Faculty. These are now agreed as follows:-

1. The Department should cover the subjects of Accounting, Cost Accounting, Auditing, Commercial Law, Secretarial Practice and Trustee Law.
2. The Head of the Department should be a Senior Lecturer whose duties should be:-
 - (a) The normal administrative duties of a Department including the co-ordinating of teaching in the Department.
 - (b) Teaching in accounting subjects to the extent of approximately 6 hours weekly.
 - (c) Research.
3. The appointee should be required to devote the greater part of his time to University duties, and to ensure that any other activities undertaken by him do not affect the proper discharge of duties. Subject to the control of the University Council, a limited right of private practice should be allowed by way of consultative work.
4. The Department should be constituted as from the beginning of 1960. The Senior Lecturer, who will be its Head, to be appointed and to assume duties as soon as possible. In the interim period, the Dean of the Faculty of Commerce to act as Head of the Department.
5. The Faculty, when considering the establishment of the Department, agreed that "its Head should be a Senior Lecturer who should, within approved limits, engage in private practice". In order that this recommendation be given effect to, it is necessary that the appointee have a sound basis of accountancy experience.
6. A study, as close as possible to Room F, should be provided for the Senior Lecturer."

The wording in paragraph 5 above reflects the concern of some part-time members of the Faculty that the Head of Department should maintain a practical interest in accounting and be able to ensure that the courses taught did not get out of touch with practice and continued to embody the fruits of experience. The

operative word was "should" rather than "may" ¹

Professor Billing's contribution

An appropriate minute of appreciation of the contribution of Professor Billing was adopted at the Faculty meeting in March, 1960. Probably the best way of recognising his contribution in this history is to provide as Appendix 1 the last comprehensive document which he prepared on behalf of the Faculty, the submissions by the Faculty to the Universities Commission of Inquiry; and this has been done.

Among the many points of historical interest in this document are:

1. That there was an expectation of problems over accommodating Commerce classes should there be day lectures.
2. That a reasonable level of proficiency in mathematics at entry was important to student success.
3. That the Faculty was planning to revise the B.Com degree to provide for specialisation in Accountancy, Economics and Management (with the introduction of Business Organisation and Management as an advanced level subject).
4. That serious consideration should be given to the longer term accommodation needs of the Faculty.

As the record of events of the previous few years will have made clear, these submissions were the result of a lot of thinking and sharing by members of the Faculty, under the leadership of Professor Billing as Dean. Differences - and changes - of opinion were not unusual, but not so as to upset good relationships within the teaching group.

d]. In practice it was difficult to give effect to this in the unedin environment. The continuing contact with practice and the profession had to be achieved in other ways.

Professors of the Faculty 1952-1988



Professor G. Billing
(Economics 1952-1959)



Professor T. K. Cowan
(Accounting & Finance 1961-1981)



Professor M. H. Cooper
(Economics 1976-)



Professor G. Mueller-Heumann
(Marketing 1976-)



Professor J. W. Williams
(Economics 1961-1975)



Professor P. E. Rossell
(Management 1972-1986)



Professor L. McLean
(^{Ac}counting & Finance 1982-



Professor A. K. Dasgupta
(Economics 1983-)



Professor K. J. Moores
(Accounting & Finance 1984-1988)



Professor R. J. Moore
(Management 1984-1986)



Professor A. J. Geare
(Management 1988-)



Professor P. J. Sallis
(Quantitative & Computer Studies 1987-



Professor C. S. Patterson
(Accounting & Finance 1987-)

PART 4: THE WATERSHED

1960 - A watershed year

In many ways 1960 may be seen as a kind of watershed - as the threshold of an era of change and development of the Commerce Faculty from a mainly out-of-hours teaching institution providing educational courses for students seeking qualification in accountancy to more normal Faculty status, with a much greater range of business-oriented courses, a mainly full-time academic staff, a majority of full-time students, opportunities to pursue graduate studies in a variety of fields, and a much closer integration with the rest of the University.

1959 was a year of high hopes and of plans not yet put into effect. It is interesting to examine the statistical records for the year. The student body consisted of:

	Men	Women	Total
Graduates studying full-time	-	-	-
Undergraduates studying full-time	17	-	17
Part-time students:			
Teachers, Teachers' College students	4	1	5
Government and local body employees	38	1	39
Employees of private firms	156	6	162
	215	8	223

Only 7.6% of students were studying full-time. Realistically there was no great inducement to do so, as well as a salary to lose. Only 3.6% of students were women. Most students would be enrolled for a B.Com. degree, but few were likely to go beyond the subjects necessary for an accountancy qualification. In 1959, no-one graduated M.Com.

A new Dean

On the death of Professor Billing, I was appointed Acting-Dean, and subsequently was elected Dean of the Commerce Faculty. I had completed my B.Com degree in 1937 after five years of part-time study, and my M.Com degree in Economics after two more, in 1939. On my "release" I had a feeling of dissatisfaction over the narrowness of my studies, a dissatisfaction which I was able to reduce a little towards the end of the war years by taking Philosophy and Political Studies at the University of Auckland. My early experience was in manufacturing industry, with some five years in a relatively independent management role. This was followed by almost 15 years as a public accountant and part-time university teacher, at first in Economic History and Economic Geography, but from 1947 in Accounting. When the decision was made to set up a Department of Accountancy and to appoint a full-time head, I had the difficult task of deciding whether to apply for the post or to stay with a growing practice. I decided to apply, was duly appointed Senior Lecturer in September 1960, and a year later I was successful in an application for the Chair in Accountancy just established at Otago.

As an academic at this level, with high hopes for developments at graduate level in my department and diversification within the Faculty of which I was Dean, I was very aware of the fact that I had not carried my formal studies in my

subject beyond Stage 3. The opportunity to do so had not been available in New Zealand. On the positive side, I had had the benefit of higher qualification and a continuing interest in economics, and my considerable experience as an accountant^{nt} and manager, and this background was valuable as I grappled with the writings of the more notable accounting academics and discussed them with my small group of honours students. In the process, I was able to develop some useful contributions to professional and academic accounting journals overseas as well as in New Zealand. I was very conscious of a need to earn academic respect, for myself, for my subject, and for my Department and University. Research and writing were given a high priority. It was a source of no small satisfaction to me some 21 years later to be invited by my university colleagues to give the graduation address in the year of my retirement. There was a feeling that, from an academic viewpoint, Commerce at Otago might have "arrived".

A commitment to development

I had a strong commitment to the development of Commerce courses at Otago in breadth as well as depth. In a conservative university with department heads competing vigorously for funds, any expansion in Commerce had to be battled for. Some of my colleagues at the university - men whom I respected - had reservations about moves to develop business-related studies at the University and were outspoken and active in their opposition to this development. The neutrality of some and the support of others were all the more welcome. The road ahead was not to be an easy one. In some ways, that was a good thing. There was a need to question. The justifications for the developments in Commerce had to be demonstrated in practice, by providing good quality academically respectable courses in new subject areas. Progress had to be step-by-step.

Accountancy education reviewed

My main task when I was first appointed was centred on my own subject and department. There was a pressing need for change. My own views on this matter were expressed in a paper produced early in 1960, presented to the Faculty, and later published in The Accountants' Journal (38 (12), 395-8) under the title of "The universities and accountancy education". The paper set out my views at the time that I was given the opportunity to effect change.

Here are some excerpts from the paper:

"The process of devolution of authority from the University of New Zealand to the separate University Institutions is almost completed. In the field of accountancy education this is a time for important policy decisions and for far-sighted planning."

"The last 20 years have seen some revolutionary developments in the application of machine and electronic tools to the processing of accounting data. No less revolutionary has been the change that has taken place in the concept of the accounting function. In the fields of management and cost accounting, finance and controllership, the accountant of today has become a far more important link in the organisation of business than was the traditional bookkeeper of yesterday. This development has led to a much greater need for higher education in the accountancy field."

"Considerably more than half the students in accountancy are either studying at, or are extra-mural students of, the Universities. Almost all the University

classes in Accountancy subjects forming part of the B.Com degree are held before 9am and after 5pm so as to cater for the needs of part-time students. Few students attend discussion groups or seminars. The courses of lectures are mainly functional, and the time barrier makes it difficult for students to do more than attend lectures and complete any practical exercises set.

"There have been no Chairs in Accounting at New Zealand Universities. This has restricted the development of University teaching in the Accountancy field; and has reduced the prestige of Departments of Accountancy both in University circles and in the eyes of the public. Little advanced teaching has been undertaken.

"The Bachelor of Commerce Degrees provide for an accountancy specialisation as an option. The fact is that, though so many students come to the Universities for classes in the Professional Accountancy course, very few complete the degree of Bachelor of Commerce."

"To the question posed, "Are the claims and needs of the accountancy profession for higher education being met", we must distinguish between "claims" and "needs". The claims of the profession have been reasonably met in the past by the University's provision of teaching to suit part-time students. The growing needs of the profession for higher education are not being met adequately at present."

"So far as accountancy students attached to the Universities are concerned, some of the limiting factors are:-

- (1) Part-time study
- (2) Over-ambitious study programmes
- (3) Evening or early morning lectures
- (4) Lack of seminar and discussion group activity
- (5) Lack of suitable text books
- (6) The inclusion in one course (particularly at advanced levels) of students with varying backgrounds and aptitudes.
- (7) The mental capacity and educational background of many accountancy students.
- (8) The shortage of teaching staff in Accountancy Departments
- (9) Extra-mural study, mainly by students living away from University centres."

"A 1925 Royal Commission on University Education had condemned "the part-time system" in New Zealand Universities in no uncertain terms, claiming that "It lowers the standard of the degree, tends to degrade the university teacher into a pass-degree coach, and reduces corporate student life to an anaemic shadow." The 1959 "Parry" Committee on New Zealand Universities had expressed similar views in its Report, and stated:

"It is sad to have to record, nearly 35 years later, that part-time students still predominate in the faculties of commerce, law, and arts, and that the adverse effects on students, staff, and university standards outlined by the 1925 Royal Commission are still clearly discernible.

The committee is strongly of the opinion that complete immersion in university life before commencing paid employment is of much greater long-run benefit to the student, financially and otherwise, than an attempt

to combine study with a full day's work outside the university. It is just as important for the potential lawyer or accountant or graduate in arts to study full time as it is for the potential doctor or dentist or scientist, particularly in view of the increasing complexity of the studies put before them at the university."

The paper expressed concern over the academic calibre of students entering Commerce^e e.g.:

"There has been a tendency for parents and vocational guidance officers to treat the commercial field as a last resort. If the young man is clever, then medicine, dentistry or science are considered first. The business community needs brains. The accountancy profession provides good opportunities for young men of high mental attainments. In too many cases, the students coming to study Accountancy and Commerce are not adequate to cope with their studies."

"What should be done to correct the most unsatisfactory situation? The paper offered some directions for change:

First, some specific proposals

- (1) Full time study and attendance at day lectures may be at least encouraged by the provision of day tutorials and seminars in addition to formal lectures.
- (2) Restrictions may be placed on the number of subjects students may offer in any one year (say four subjects), with special restriction on part-time students (say two subjects).
- (3) Chairs may be established at the University centres and more staff employed.
- (4) More students may be encouraged to take the full B.Com degree.
- (5) Advanced and post-graduate teaching may be developed."

Some more general statements:

"The encouragement of students to do what seems to be educationally right calls for the co-operation of the accountancy profession, the business community and those whose task it is to advise young people leaving High School. Even if abrupt changes are not made, there must be a concerted movement toward the desired goal over a fairly short term of years. The desirable end will not be achieved without costs."

"It seems likely that within say ten years the picture of business education will be along the American pattern, with most accountancy students attending full-time at University "Schools of Business" where the programme will include at least 50% of subjects of general educational value, and where business management and organisation will be taught adequately at University level, along with accounting, law, economics, finance, statistics and marketing."

A contrary viewpoint

This was a brave and challenging article, and there are grounds for thinking that it had an important influence on attitudes within the accountancy profession. Not everyone agreed with me, even among our team of part-time teachers, and indeed there was another side to the matter that concerned us all. Not long after my paper had been circulated to members of the Commerce Faculty, it was

followed up by a paper by the lecturer in Auditing, Mr W Scott Gilkison expressing very forcefully that counter point of view. As I pointed out in the memorandum accompanying this paper, Mr Gilkison was a New Zealand authority in his subject and was very interested in accountancy education. His paper is of more than historical interest; it contains matters of continuing relevance to the university's role in education for a profession. It was only later that the profession of accountancy accepted the need to recruit the product of full-time study, with the necessity for their induction, at some cost, into their area of employment. Mr Gilkison could foresee the possibility of full-time teachers of accountancy subjects failing to relate to and to interact with the interesting, evolving, and always challenging work of professional practice'.

The paper, "Part-time study: A plea for understanding", is shown in full in the unabridged edition of this history. It made lively reading. Here are some excerpts:

"The Parry Committee has clearly missed the real point at issue. It has fallen into the trap of assuming that accountancy education can be obtained by study alone. It seeks to contrast the medical student, - so-called "full-time" - who divides his time between lectures, study, and practical work, with the accountancy student, so-called "part-time" - who similarly divides his time between lectures, study and practical work. The only difference is really that one does his practical work within the limits of the Medical School and the adjacent Hospital, while the other must needs proceed for his practical work to the commercial centre. What the Committee has failed to realise is that the accountancy student's laboratory is the whole field of commerce as it is worked in practice. They would surely not recommend the graduation of a medical student who had never handled a practical case; why should they draw a distinction?

The only valid ground for criticism is that the practical training in the field is not yet fully controlled and co-ordinated, so as to be completely complementary to the theoretical studies; but this is an aspect in which great progress has been, and is being, made, consequent on the requirement of Practical Experience and Registration of Students.

The fact is that to acquire real understanding of the principles and practice of

1. In the early years of the Department of Accountancy, it was possible to recruit teachers in accounting who had had significant practical experience - indeed to give preference to such people. I was able to mix with top professionals as a member of the Board of Research and Publications (later, the Accounting Research and Standards Board) and to present an independent and not always popular view on specific areas of professional concern. Courses and Study Conferences were provided for practitioners. There was a constant endeavour to draw illustrations from practice in the real world; and students of advanced accounting over the years were faced frequently with whole papers based on sets of published financial statements. Relating to the real world became not merely a matter of policy, but also of choice. Published reports and financial information provided to shareholders and the public made a fascinating and educationally useful study.

accounting a student must have his theoretical studies and his practical experience^c, properly co-ordinated and planned.

In this I can speak from personal experience as one who "qualified" in accountancy without any office training; my three years of full-time study constitute^d a handicap from which I have never recovered.

To sum up, the so-called "part-time" accountancy student is learning his profession for five days a week (or more), for 49 weeks in the year. The pampered "full-time" student works reasonably hard for 30 weeks - the rest may be devoted to working for a wage (because of "financial necessity" or other reasons), or carrying out genuine research or recreation, or simply holiday-making and spending someone else's money."

"If the full-time student in accounting is a menace to himself and his potential future clients, I believe the full-time teacher is worse. For however carefully he tries to keep himself up to date by reading and discussion, he must inevitably get quickly right out of touch with the real practice of his profession. Changes in practice and in the application of principles are taking place extraordinarily fast, so that even the active practitioner is hard put to it to keep his mind up to date. Without the perpetual stimulus of practical examples, from assignments that he has worked on personally, he must inevitably drift with the tide and get right out of touch. I believe that every teacher of advanced accounting subjects should be required to undertake a substantial amount of practical work, this to be a condition of his employment. Without this, he is like the blind leading the blind - except that the latter usually knows how blind he is."

This valuable contribution, expressing an honest opinion with typical forthrightness, would have had considerable support within the profession. The concerns expressed have continuing relevance in an era of full-time students. Scott Gilkison would have been pleased if his contribution were seen as a justifiable warning to a subsequent generation of accountancy teachers.

Needless to say, the matter of Scott Gilkison's "failure" was not overlooked by his colleagues on the Faculty. But he did feel deeply that his full-time years had failed to give him an adequate return on his investment of time. The fact was that there was a need to change not only the B.Com and M.Com degree regulations but also the very timing of lectures and content of courses which were of concern to him.

Planning for change

The problems, and no doubt the differences of opinion, were examined by a Faculty sub-committee (Cowan (Convener), Gilkison, Valentine and W A Poole) set up to report to Faculty on the findings and recommendations in the "Parry" report on the New Zealand universities, and specifically on the place of the University in Accountancy education. The report of this sub-committee set out a list of changes that might be necessary in order to encourage full-time study, particularly in accountancy-related subjects but broadly with full degrees as the normal student objective. Here is this influential report:

"The committee recognises that the principal laboratory of the student of accountancy and economics is the practical business world. Practical experience is regarded as an essential part of the qualification of an accountant. In certain fields of study practical experience is a definite aid

to an understanding of principles and techniques. At the same time, the committee recognises that there are defects in the present system of part-time study in Commerce, and certain advantages in full-time study.

Subject to the above, the committee endorses in general terms the views expressed in the Parry report regarding full-time and part-time study. In view of the preponderance of part-time students in the Faculty, however, the Committee believes that it would not be desirable to implement changes which would eliminate part-time students but thinks that changes designed to encourage full-time study should be made gradually and progressively.

Discussions should be held with representatives of the Faculties of Arts and Law so that their views on this common problem may be ascertained.

No changes affecting accountancy subjects should be made until the Head of the Accountancy Department has been appointed.

Changes designed to encourage full-time study may include:-

- (a) The transferring of morning and evening lectures to day hours together with the introduction of tutorials. This would probably involve an increase in lecture hours and would do much to raise the educational value of the course.

Since it is reasonable to expect that the Commerce Faculty is entitled to a fair proportion of the 4-6pm lecture hours, this is a problem which affects other faculties.

- (b) Where considered necessary, changes to the content of the degree and to the prescriptions of the subjects comprising the course. This matter has been under discussion for some time.

Examination arrangements may also require to be revised.

- (c) The encouragement by employers, educational guidance officers, etc. of full-time study in Commerce. Before any measure of support can be expected, courses satisfactory to full-time students are necessary.

- (d) The continuation after discussion with representatives of the N Z Society of Accountants, of the teaching of candidates for the Accountancy Professional examinations. Lectures for this course would need to be held during morning and evening hours as at present in the degree course and this will result in some duplication of lectures. It is possible that integration of some lectures with degree lectures could be planned.

The possibility of the University establishing a Diploma course for this specialised section warrants further investigation.

- (e) In order to attract advanced students, provision for post-graduate study in accounting.
- (f) Consideration of the problem of extramural students. The change

from evening to day-time lectures could result in increased applications for exemption from attending classes. Such an increase would be undesirable and this aspect should be discussed with other Faculties since there should be a uniform approach to this problem.

A New B.Com degree course

The Faculty moved in May 1960 to put forward significant changes to the B.Com Course Regulations.

*The degree was reduced from 12 to 10 units¹.

*Not without opposition from Mr Gilkison and some regret from most of us, it was no longer compulsory to obtain a pass in English or a modern foreign language. There was a view that the course in English was designed for students expecting to proceed to higher levels in the subject. Commerce students would not be all that interested in Chaucer, for example.

*Economics 2 was still compulsory, but could be taken with the third paper covering Elementary Statistics for Commerce.

*The degree was made more attractive to students majoring in Economics by placing Commercial Law 2 among the choice subjects and by providing a wider choice in the optional units.

*A three-paper subject, Business Organisation and Management, was included among the choice subjects and given the status of a stage 2 unit, but it was noted as "Subject to teaching being available".

*An alternative to Accounting 2, "Analysis of Accounting Data", was included (subject to teaching being available) to provide a more appropriate terminal course in accounting and finance.

*A unit in Arts or Science (other than Economics 1 and 2) was required in all courses. Students taking Business Organisation and Management must have passed Economics 1 and 2, Accounting 1, Commercial Law 1 and 2, and either Accounting 2 or Analysis of Accounting Data. Clearly the intention was a course designed for senior students.

Open Lectures

Another move by Faculty at this time was to provide a series of three Open Lectures by staff of the Faculty, catering mainly for staff from other faculties, on:

"The conduct of meetings and the rules of debate": R S M Sinclair

"Annual accounts and balance sheets: How to understand them": T K Cowan

1. Similar steps were taking place in Auckland and Wellington, which had introduced 9 and 10 unit degrees.

"Some aspects and obligations of modern taxation": A panel of J A Valentine, W S Gilkison and H S J Tilly.

There was a need for such a series of lectures, but also for friends in the University!

PART 5: THE YEARS OF DEVELOPMENT AND CHANGE

Poised for pr

The Faculty of Commerce at Otago was poised for progress when, on 1 September 1960, I took up the post of first full-time teacher, Head of the newly established Department of Accountancy, and Dean (elected) of the Faculty. I was provided with an office right under the clock tower, then in a shaky condition. Perhaps there was some hope that an Act of God might crush the Commerce intruder and his fledgling Department, and, with him, the threatening aspirations of his Faculty. There were certainly misgivings in some quarters, but generally the academic staff were friendly and the Registry staff supportive. It was a decided boost to the personal morale to be appointed to the Chair in Accountancy in 1961. The boost was very necessary. The task ahead was far from easy.

The task ahead

The Faculty of Commerce had to be developed from an out-of-hours professional school for accountancy students into a faculty offering classes during the day to mainly full-time students across an appropriate range of options relevant to business and government. The potential had to be developed to provide courses other than Economics at Honours level and beyond. Staff members employed full-time (in particular) had to set about establishing higher standards in teaching, and to establish a reputation for themselves and their Department and Faculty through research, writing, and professionally attractive short courses.

Internal examining

An early step towards academic independence was the undertaking in 1961 (and subsequent years) of internal examining in Accounting 1 and 2 and Commercial Law 1 and 2. The University had to be persuaded to provide funds to cover the extra examining work of part-time staff members in order to give effect to this.

Day lectures in Accounting

A major challenge, not limited to Otago, was to gain acceptance from the accountancy profession and the business community for day lectures in accounting, with provision for the day release of staff members. Associated with this was the scheduling of lectures in Economics 1 in order to minimise the level of inconvenience of day release to employers.

It is not surprising that one of my first significant tasks was the preparation of a paper making a strong case for day lectures and some (at least) full-time study for entrants to the accountancy profession. "The paper, "Accountancy education at the crossroads: The parting of the ways?", written in October 1960 and published later in The Accountants' Journal under the softer heading "Accountancy education in New Zealand - the challenge of change" (1962: 40(6), 174-180) was influential at Society level. It provided an uncomfortably accurate presentation of the educational challenges that had to be faced by the Society on behalf of the accountancy profession, as well as an equally accurate appreciation of the attitudes of a significant section of the membership to educational developments in the universities. The suggestion that there could be a parting of the ways between the universities, in the academic/professional education role,

and the Society, or at least a divergence between the two, was intended to prepare the ground for a softening in attitudes toward quite radical change. This paper is shown as Appendix 2. It is very much a reflection of the way we have come.

At local level

It was far from easy to achieve acceptance of day lectures in Accounting at the local level. A meeting of members of the profession was held, and agreement was reached only when it was agreed to provide lectures in Accounting 3 for two hours on Thursday mornings and two hours on Saturday mornings' - (A compromise arrangement for Saturdays which was not over-popular with either teachers or students and which was dropped some years later). As a result of this meeting and compromise, day lectures in Accounting began in 1962, timetabled to minimise inconvenience. Lectures in Accounting 1 were 10-11am on Mondays and 10-12noon on Wednesdays, with 1 1/2 hours of tutorial on Monday evenings. Mr J A Valentine met the Accounting 2 class on Tuesdays 9-11am, and tutorials were on Thursday evening. The Thursday and Saturday 9-11am classes in Accounting 3 were backed by tutorials on Tuesday evenings. The classes were timed to fit in with lectures in Economics 1 at 11 am.

These changes had important effects. Part-time students in Accounting had more free time to devote to their studies, and, presumably, attended lectures with fresher minds. Teachers, now much less constrained over course content, were able to expect and to achieve higher standards. There was more scope for staff/student interaction. Full-time study became more attractive to accountancy majors, and day release made part-time student employees less attractive to employers. The "sharing of the pain" (as it was put at the meeting) through some Saturday morning teaching was a relatively small price to pay for this big step forward.

A first course in Management

As Dean of the Faculty, I was keen to obtain approval for the appointment of a qualified teacher in aspects of management, in order to offer the course "Business organisation and management" and generally to extend Commerce courses over a wider range. It was timely that a request should come from the Faculty of Technology to offer an Introductory Course in Industrial Management. For tactical reasons as well as a desire to help, I agreed to prepare and teach the course as a unit for the B.E degree "...at a level to suit final year students and graduates". No doubt the course was undertaken with some trepidation, and must necessarily have been very inadequate. Here is the prescription, duly approved by Faculty:

"An introductory course, including studies of the business scene, the nature and objectives of management, the problems of marketing, factors entering into production costs., the accounting function, the financing of business, human factors in industry, legal factors, management decisions, the formulation of business policies, etc."

The course was to be in two sections:

1. I was the principal Lecturer in Accounting 3!

- “(a) Principles of Management (applicable to any administrative task)
- (b) Applications to industry (aimed at providing, with section (a), a basic preparation for an executive career in industry).”

Lectures were to be one hour weekly for two terms to cover section (a) of the course, and one hour weekly for three terms to cover section (b). The course was to be open to students of all faculties, and, indeed, (a) was designed to suit also Home Science students aiming to become hospital dietitians.

The coverage of such a wide range of topics in such a short teaching time could not but be inadequate, but there were strong views from both Mining and Home Science that it was important to provide their students with at least an introduction to the areas of business and management. Fortunately I could draw on my own experience in a manufacturing enterprise and as a public accountant to put what I was able to glean from management texts into the New Zealand context. Hopefully the students who took the course in 1962 were less aware than the lecturer of his inadequacies, and obtained real benefit. That the course was continued in subsequent years would encourage that view.

An important byproduct of the course was the expansion of my own knowledge of the literature in the management field, and of my appreciation of the fundamental importance of the subject. I can still recall my fascination with the fresh ideas in scientific management of the pioneer American engineer, F W Taylor, and with the concepts in organisation developed by the Frenchman, Henri Fayol.

So far as I am aware, this was the first course in Management offered at a New Zealand university.

Senior lectureship in Management

It was one thing to have "Business Organisation and Management" accepted as a B.Com degree unit, and quite another to persuade the University Council to back the subject with teaching resources. Lobbying was not a strong point with me, but I recall doing a lot of lobbying of Council members in 1961 in order to secure authority to advertise the post of Senior Lecturer in Management. Fortunately the necessary support was forthcoming, and the staff establishment approved by the Committee of Deans for 1962-4 provided also for increases in the full-time staff of lecturers in Accountancy:

1962 Professor Senior Lecturer in Accounting Lecturer or Assistant Lecturer in Accounting	1963 Professor Senior Lecturer in Accounting Lecturer in Accounting Senior Lecturer in Management	1964 Professor Senior Lecturer in Accounting Senior Lecturer (or Lecturer) in Acctg Lecturer (or assistant Lecturer) in Acctg Senior Lecturer in Management.
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This significant growth could be justified readily from the statistics of student numbers in 1961. Accountancy Departments in northern universities, in a

similar situation, proceeded to build up staff in accountancy subjects. At Otago, we continued to use part-time staff in Business Law, Cost Accounting, Auditing, Trustee Accounts, and Taxation, and to assist in tutorials. We were then able, as a matter of policy, to use our student numbers to assist in extending the breadth of our Commerce offering. In spite of criticism from the North that Otago was hardly the place to develop a business school suited to the New Zealand environment, this is what we set about doing. In this way the Commerce Faculty at the University of Otago would make better provision to meet the needs of its students, and the business community locally and nationally should benefit from this.

Accounting Staff

The University was fortunate in recruiting Mr J M Freeman B.Com as a Senior Lecturer in Accounting in 1962. Mr Freeman had been a senior executive in a Timaru textile mill, a top student for New Zealand in cost and management accounting, and a part-time tutor in accounting. It was a condition of his and subsequent appointments that experience in accounting and business be supplemented by studies at Honours level. In this way, and through contributions to the literature, it was possible to build up our academic standing and our ability to contribute in research and in fresh thinking. An academic department was in the making.

Dr Adolf Diegel

We were not overwhelmed with applications for the Senior Lectureship in Management, but we were able to appoint finally an academically qualified candidate, Dr Adolf Diegel, who held a doctorate in Business Administration from the University of Oregon, USA. He was German by birth, and his wife was of Swiss nationality. When he arrived to take up his appointment later in 1962, there was some difficulty in associating the man with the long and bushy black beard with the fresh-faced young man in the photograph which accompanied his application.

He was an extraordinary character, and extraordinary people have the ability both to contribute in an exciting way and also to be difficult to persuade that it is generally necessary to live within the constraints of the situation. Adolf Diegel was academically well grounded in his subject, including its quantitative aspects. He was enthusiastic about it, and was able to pass on some of his enthusiasm to junior staff and students. He lacked practical experience in management and did not show as much interest as one could have hoped for in the problems of management locally and nationally. Life in a remote family high on Mount Cargill was preferred to the conventions of a middle-class suburb. Even though he was not the person one might have hoped for to establish teaching in Management at Otago, linking theory through research with practice and writing, he did make a very significant contribution during his nine at Otago.

It is worth repeating the paragraph which I wrote about him for the Commerce Review in 1969, not long after his departure:

"Dr Diegel was above all a " character". His flourishing beard, his establishment in an isolated farmlet on Mount Cargill with his growing family, his goats, donkeys, fowls, cattle, bees and beer - these gave evidence of Diegel the individualist, the unconventional, the lively subject for the critics. He was notorious for his inconsistencies. From time to time the propounder of the most impractical ideas, he yet demonstrated a very practical streak. He was intelligent and stimulating as a teacher and

colleague, with a quite unusual mixture of the philosophical and the practical. In spite of his teaching and research interest, he was an isolationist from the world of business, a valuable critic, an innovator, at times supportive, at other times rude, an irritant, a purveyor of the unusual, a source of no little difficulty with many academic colleagues and with the administration. It was both a privilege and a problem to have him here during a vital six years of Commerce Faculty development.

Cross -credits

We at Otago had maintained an excellent relationship with the N Z Society of Accountants through its Education Committee. A high point was the agreement of the Society to cross-credit Accounting 3 at Otago to two advanced Professional units, "Advanced Financial Accounting" and "Cost and Management Accounting". This was a pleasing recognition of the calibre of the Otago courses in Accounting. This concession added substantially to the attractiveness to accountancy majors of the degree course at Otago.

American In uts

The Dean of the School of Business at the University of Alabama, Dr Paul Gamer, had visited us early in 1960, and given an Open Lecture at the University. Late in 1962 he invited me to teach for a semester in the Department of Accounting in order to gain an appreciation of the programmes at a typical American business school. The University kindly granted me leave and travel assistance, and I was able to obtain a Fulbright Fellowship. The invitation could not have come at a better time. The invaluable (and reassuring) experience at Alabama was supplemented by attendance at conferences of academic accountants and of the Association of the Collegiate Schools of Business in USA. Dean Gamer was a well-known and respected figure as an academic accountant and as a business school Dean. With his help, I was able to follow the four interesting months at Tuscaloosa with a month of visits with heads of Accounting departments and Deans of selected business schools - the University of Virginia at Charlottesville, the Wharton School of Business at Philadelphia, City University in New York, Harvard in Boston, Michigan at Ann Arbor, Illinois at Champagne - Urbana, Colorado at Boulder, Nevada at Reno, Berkeley at San Francisco, and UCLA in Los Angeles. In the course of this tour, I met some of the outstanding pioneers in academic accounting, including W A Paton, A C Littleton and Maurice Moonitz. But the primary purpose was to develop a plan for a business school programme appropriate to New Zealand and Otago, and I was able to go a long way towards achieving that objective.

Plan for a Business School at Otago

I was sufficiently confident by the end of my stay in Alabama to send a memorandum to Faculty, through the Acting-Dean (Mr J A Valentine), seeking approval in principle for the setting up of a School of Business at Otago, with the following departments:

- Accountancy (including Business Law)
- Management
- Marketing
- Business Statistics
- Executive Development

There would be a full-time Dean, and Chairs in Accountancy, Management and Marketing. The other two areas would be headed by staff at Associate Professor level. The total staff envisaged would be 23 full-time and 12-15 part-time by the end of the quinquennium. The Department of Executive Development would be concerned principally with providing courses for businessmen and postgraduate courses, and would incorporate a Research Bureau. The proposed School would have a computer which would be used in teaching and to provide services within the University.

Faculty decided to support this high-flying proposal in principle, but not the plan to set up a Commerce based computer facility, as this was being pursued by the Mathematics Department. The Acting-Dean (Mr J A Valentine) was unable to be present at the meeting of the University Senate where the Faculty's proposals were to be discussed; but provided a short statement presenting the Faculty's case. Here are some extracts from this document (dated May 14, 1963):

"The reasons for recommending the establishing of a School of Commerce and Chairs in Management and Marketing may be summarised as follows:-

- (a) During the period covered by the next quinquennium, there will be a marked expansion of commerce and industry in New Zealand and, in the interests of our economy, it is desirable that management be efficient,
- (b) Although larger organisations in overseas countries often provide management training for their own staff, most New Zealand companies are not large enough to provide this education themselves.
- (c) The demand for top management staff adequately educated in the fields of marketing, production and general management is already high and will undoubtedly increase in the years ahead. In many cases at present, such staff is being brought to New Zealand from overseas.
- (d) It is anticipated that an increasing number of graduates from other faculties will follow commercial and industrial pursuits, and, in the absence of training within the firm, a course in management is desirable in order to fit such graduates for top management posts.

These are the main reasons for the Faculty's decision to approve in principle the establishing of a School in Commerce and for seeking Senate approval of the two Chairs involved.

In the absence overseas of Professor Cowan, plans have not been finalised but it is known that Marketing and Management will be the major fields of study. Schools of business management are an important part of the American University structure and are growing rapidly in the United Kingdom and Australia.

The trend towards full time study already evident in the Commerce Faculty in recent years will undoubtedly continue during this period. With an increasing number of full time students, the establishing of Chairs in Marketing and Management could be justified as part of normal growth, since there would then be only three chairs in a Faculty with estimated numbers by 1969 of 440.

Victoria University, is, I understand, estimating an increase in commerce numbers from the present 1200 odd to more than 3500 by 1969. While I do not envisage such a spectacular increase at Otago, I do think that there will be an increasing trend and the Faculty believes that the numbers estimated for Commerce in 1969 will be exceeded.

The Chairs concerned have been included in the quinquennial submissions as a new development but could well have been put forward as normal growth. I ask that the Senate approve these Chairs in order that they may be included in the quinquennial submissions.

It is one thing to have a general plan, and quite another to put that plan into effect. There was a sense of urgency, as Otago was a pioneer in the development of a business school in New Zealand. The Northern universities continued to concentrate on accountancy and economics in their Commerce faculties. In the event, the new subjects and activities had to be pioneered and proven the hard way, and the Chairs in Management and Marketing were to come later.

Courses in Management

Meantime the influence of Dr Diegel soon became apparent. The subject "Business Organisation and Management" was taught for the first time in 1963, under the prescription:

"The theory and practice of business administration, including:

- (a) The theory and practice of organisation
- (b) The function and use of quantitative techniques to aid in management decisions."

But Dr Diegel saw this course as too limited, considering the breadth of the subject as he saw it. The year 1964 saw the introduction of a set of subjects:

At first year level:

Concepts in Management (2 papers)
Mathematics and Statistics for Management (2 papers)

At second year level:

Quantitative Analysis
Human Organisation

At third year level:

Production Management
Marketing Management
Business Policy

Extended degree choices

The introduction of these Management units provided more choices for Commerce students, and greater scope for specialisation. It was to be possible to obtain both B.Com and M.Com degrees in either Accountancy, Economics, or Management. Three papers were available at Honours and M.Com level in

Accountancy subjects - Accounting Theory, Management Accounting (or special field) and Business Finance; Three papers were named under Management - Human Organisation, Production Management, and Marketing Management - though we lacked the staff to teach Marketing and, probably, Production Management.

Acceptance of risk

The major development in the management area involved a high level of risk. Would the University be able to attract adequately qualified staff to teach at least one of the advanced specialisms? The whole course structure for management majors was uncomfortably dependent on one Senior Lecturer - as was to be the case later in Marketing, with consequences that could have been disastrous for students. Several years were to pass before there were sufficient staff members in each subject area to ensure continuity, and holders of Chairs to ensure leadership and adequate standards. In the interim one had to accept high risks and the likelihood of some inadequacies in the evolution of an Otago Business School.

Student support

There was no doubt about student support for those of the new subjects that we were able to offer. Course numbers were:

	1964	1965
Concepts in Management	44	62
Mathematics and Statistics for Management	20	27
Human Organisation		21
Quantitative Analysis		14

Students majoring in "management" would require a final stage unit in 1966, and we planned to offer Marketing Management as a Stage 3 equivalent unit'.

Faculty decisions

It is of interest to note two Faculty decisions arising from the report on my visit to business schools in the United States:

"Finance: The Faculty did not consider it necessary to arrange for teaching in Finance in addition to what was now included in accounting".

(Some 20 years were to pass before there were undergraduate courses in Finance.)

1. The proposal to offer Marketing Management as a final unit led to expressions of concern at Senate. I recall assuring members that it was rather like surgery in a medical course. One needed a background in economics, accounting, business law, organisation theory, etc. in order to deal effectively with the specialism. It must have been a sufficiently convincing argument to get majority support from Senate, with its strong representation from the Medical School.

"Proposed MBA Course: The Faculty approved in principle the establishment of a postgraduate course in Business Administration which would be open to non-business graduates .

It was left to the Dean to take this matter further when it became more practicable in terms of staffing. (The next move was not to be made until 1969).

Pro ress

The decade of the sixties saw exciting developments in the Accounting area following the establishment of a Department of Accountancy with a full-time head and professor. As it was put in the 1960 Annual Report of the Faculty:

"The establishment of a Department of Accountancy has given a much greater potential to accountancy teaching at the university. It is now possible to co-ordinate the efforts of individual staff members, and to carry teaching to those higher levels which are necessary if the university is to make its proper contribution to the community through the accountancy profession".

Study Conferences

The first of a series of successful Study Conferences was held in 1961, attracting some 80 qualified accountants and 40 senior students. Faculty Annual Reports make reference to another in 1963 on the theme "Accounting in a Changing World", and to a 1965 Conference with over 120 attending, including some accountants from Wellington. These Conferences met a need of the profession and provided a valuable interaction between university staff and students and accountants involved in the practice of their profession in various fields'.

Joint examining ends

The era of joint examining at national level (with the N Z Society of Accountants) in accountancy related subjects ended finally in 1962. The university continued to provide classes for the non-degree units Taxation and Trustee Law during the decade, but generous cross-credits were available from Accounting 3 to Professional subjects. Internal examining in Accounting (in particular) opened the way for improvement and flexibility in the Accounting courses.

Honours courses

The next step was to provide courses at Honours level, and to try to attract top students to these courses. The 1963 Calendar provided for two out of four papers at M.Com level in accounting and finance. In 1964 this was raised to three papers (and, still later to four). Needless to say, teaching in a satisfying way at this level presented a challenge. As a preliminary, a great deal of self-education was essential.

1. In later years, the need of the profession for post-qualification courses was to be met through the Continuing Education Programme of the N Z Society of Accountants.

Accounting theory development

It is only in fairly recent years that much scholarly work has been done in seeking to develop sets of principles and an integrated theory to support and guide accounting practice. The first book on double-entry accounting was written by an Italian, Luca Pacioli, in 1494. The system was based on a set of ideas little short of brilliant, but it lent itself to rather mechanical and unthinking application. As enterprises grew in size and complexity, so problems arose regarding the measurement of income and of capital, and in financial reporting on the results and position of enterprises. Professional accountancy bodies faced serious problems in seeking to achieve satisfactory standards in financial reporting and in auditing, not helped by the substantial lack of a conceptual basis for decisionmaking on key accounting issues. The requirement in British (and NZ) law of "a true and fair view" left unanswered the key questions of what constituted "truth" in accounting, and what qualities in financial reporting determined "fairness". The North American specification that financial statements be prepared "...in accordance with generally accepted accounting principles" "applied fairly" called for definition before application and could hardly be regarded as a guide to the solution of new problems.

Education for the accounting profession in the United Kingdom centred on the articulated clerk learning his trade through his association with the "master craftsman" and by burning midnight oil in out-of-hours study by correspondence and in other ways. There was little evidence of the thought that studies in accounting could in themselves be mentally challenging and stimulating. The United States of America had produced some outstanding accounting academics, men like W A Paton and A C Littleton, who in turn produced a set of academic accountants with lively minds - such as Maurice Moonitz, R T Sprouse, and others of similar ability. The American Institute of Certified Public Accountants set out in 1958-9 to carry through a research programme aimed at providing a framework of accounting theory, with Moonitz as its first Director. The first two major studies:

"The basic postulates of accounting", by Moonitz (1961)

"A tentative set of broad accounting principles for business enterprises", by Sprouse and Moonitz (1962)

produced sets of ideas which differed significantly from then current practice, and ushered in an era of vigorous, and, critics might say, not very fruitful debate.

An interesting time

It was at this interesting time that we at Otago set about developing our courses in accounting theory and seeking to establish ourselves personally in that field through relevant contributions to the literature. In 1965 I had two important papers published in the leading US academic accounting journal, Accounting Review:

"A resources theory of accounting": 40(1), 9-20.

"Are truth and fairness generally acceptable?": 40(4), 788-794.

It was probably the latter which attracted the notice of the organisers of the

programme for the Ninth International Congress of Accountants, to be held in Paris late in 1967. To my surprise, I was asked to provide the paper at the Congress on the key topic, "The international harmonization of accounting principles". Speaking to that paper to an international audience of some 1200 accountants^{ts} was an extraordinary experience for a rather raw academic accountant^t from far-off New Zealand. The paper had a good reception, and was commented on very favourably by the President of the previous (1962) Congress in the opening session of the Congress - a much appreciated boost to the morale of the more than a little nervous author!

Personal contributions

I had several other publications in Accountancy, the leading professional journal in the United Kingdom, Accounting Review, and The Accountants' Journal (NZ) during the decade of the sixties. A particular interest was in the failure of current accounting practice to have regard to the effects of inflation (and specific price changes) in the measurement of profit and position. An important contribution at this time was "The profit illusion", published in The Accountants' Journal in November 1967.

I became interested in electricity economics, in the nature, measurement and allocation of the costs of electricity supply to consumers, and in electricity tariffs in New Zealand. A paper, "Power economics - or power politics?" (NZ Economist and Taxpayer 30(8), 11-15) published in 1968 was the first in a series questioning the basis of the pricing of electricity in New Zealand. This was useful pioneering work, though neither those contributions nor the papers dealing with the deficiencies of the profession in measuring income under conditions of inflation were calculated to raise one's popularity level. An important function of the professional auditor was to give credence to company financial reports, and it was upsetting to have the basis on which those reports were prepared seriously questioned. The electricity industry in New Zealand had developed a "sacred cow" notion that it was above criticism - judging from the reaction - even though the criticism was fully justified.

Honours seminars

All this made for interesting Honours seminars and some very useful research projects by students at that level. Probably the most outstanding study was one by Boris Popoff (now Associate Professor) in which he applied a set of adjustments for inflation to the published statements of a local enterprise (Dominion Fertiliser Co. Ltd) over 25 years of price falls and then rises and examined the fairness and relevance of the results obtained.

Mr J M Freeman had joined the staff in 1962. With cost and management accounting as a special interest, he was able to provide interesting courses at Honours level in that demanding area. But we did feel the lack of a specialist in Finance, and had to do the best we could to do justice to the subject at Honours level.

Setting accounting standards

I was a member of the Board of Research and Publications (later, the Accounting Research and Standards Board) of the N Z Society of Accountants for many years. This involvement was useful in both keeping the academic aware of the practical problems of the profession and also in providing a non-professional

input into the Board's discussions. In the latter connection, I recall blocking a move to follow the United Kingdom in issuing a booklet of "Best"(!) practice in financial reporting; and raising with what must have been annoying persistence the need for research into the effects of inflation on the accounting process. A matter which concerned me greatly, and is evident in my writing on the subject, was the adverse effect on the economy and on society (through industrial relations, taxes and attitudes) of the failure to take the reality of the changing value dollar into account in measuring income. The failure continues, and the effects in recent years have been even more evident than in the sixties and seventies.

50th Jubilee

In 1962 the 50th Jubilee of the Commerce Faculty was celebrated with a dinner at the La Scala Restaurant. My main recollection of the occasion is that my speech went on far too long! But I do remember it as quite an occasion, particularly for the older generation.

There has been some uncertainty about dates. The first classes in Commerce subjects were provided in 1912. A decision was made to establish a Faculty of Law and Commerce late in 1913, and that Faculty was duly set up at a meeting of the University Council on February 18, 1914. The joint Faculty continued for several years, and it was not until 1921 that the University of Otago Calendar recognised the separate existence of a Faculty of Commerce. In fact the matter is of rather limited importance, as I could find no record of the Faculty having met prior to 1952!

"New" accommodation

The Faculty moved to the Ground Floor of the Zoology/Commerce building at the start of 1963, having outgrown the space in Black House. This had been the Dental School (which had moved next door to a large modern building) and I occupied the room previously used by Dental Dean John Walsh (later, Sir John). He assured me that the only drawback was the constant reminder of man's mortality - his window overlooked an undertaker's premises. This problem was dealt with easily, but we soon found out that there were others. The heating system produced a great variability of results, due no doubt to a combination of extreme age and human error (Zoology's!). The large lecture theatre left much to be desired, and seminar rooms were soon needed for staff studies. Then there was the question of separation from the main University campus. It was recognised that the building was to be a temporary "home", to be evacuated when the needs of Zoology increased. In the meantime, it was possible to use Commerce numbers to strengthen the case for the rejuvenation of the building to accommodate Zoology.

PART 6: PROBLEMS AND OPPORTUNITIES

Effects come through

By 1965 the effects of the changes that had been made in the degree regulations, courses available, lecture timetable, course content, examining arrangements in accountancy subjects, and staffing were evident. There were eight graduate students, seven of whom were studying part-time, and all of whom would be required to undertake research in order to produce the compulsory thesis. There were none in 1962! Overall student numbers had increased markedly:

1961: 238 1963: 315 1965: 378

Even more striking was the increase in full-time students:

1956: 9 1960: 19 1963: 43 1965: 94

The number of female students remained small:

1961: 10 1963: 11 1965: 22

According to the 1965 Annual Report of the Dean, these changes were -

"...related only partly to changed times and to day lectures. The most important reason is the rising standard of our Commerce courses - the fact that, with more full-time staff and more choices in subjects, we have more to offer to full time students".

The increases in staff in the 1963-5 period were mainly at Assistant Lecturer level, young men combining some teaching with advanced study. Several of these went on to make notable careers as academics (e.g. R L M Dunbar (in USA) and W R McLennan (in N Z), and in the accountancy profession (e.g. B W McCloy).

A crisis in Marketing

The Annual Report went on to stress that - "The key problem remains that of adequate staffing of our teaching programme." That fact was made all too evident in 1966. Mr Wilfred White B.Com, MBA (Melbourne) was to arrive early in 1966 in time to undertake the course in Marketing Management on which students completing degrees as Management majors were dependent. Late in 1965 he advised that he wished to complete a course before leaving the United Kingdom, and would not arrive until mid-year! The outcome of that crisis was that what I believe to be the first set of lectures in Marketing Management at a New Zealand university were given by me, with the aid of brief topic outlines and references set out in aerogrammes by Mr White. Never was a staff member more welcome than Mr White, when he arrived in July! The course could not but have shown up the inadequacies of the lecturer in the subject; but at least the extensive reading and preparation that was necessary gave me as Dean an unexpected appreciation of the subject area that had long-term value.

Rapid growth

Student numbers in 1966 increased significantly. We had 372 internal

students, of whom 143 were full-time. With more full-time students and more choices available in Commerce subjects, there had been increases in Commerce units taken of 25% in 1965 (over 1964) and 25.5% in 1966 (over 1965), a cumulative increase over two years of 57%. The increases were right across the Faculty, and imposed a heavy strain on teachers and administration. The number of full-time students increased from 94 in 1965 to 143 in 1966, and M.Com students from 8 to 13. These were exciting times!

Marketing Management

With the arrival of Mr W T White, the pioneering course in Marketing Management was well received. Quoting the 1966 Annual Report of the Faculty:

"The course in Marketing Management, taught for the first time in 1966, has been well up to expectations, and will attract increasing numbers of students in spite of its high work demands. There is no doubt that our B.Com degree, with its breadth of choices and flexibility, is attractive to students."

Staffing allocations

Staffing our expanded teaching programme adequately was a real and many faceted problem. The University had not budgeted for such a huge increase in student demand. There was a strongly competitive market for resources for teaching and related activities within the University. Not all university staff members viewed the growth in Commerce sympathetically. The new development was a departure from the British tradition which for a long time had moulded the New Zealand university system. The plea in the 1966 Annual Report:

"There is a case for an allocation of funds for staffing... more in line with our numbers, needs, and opportunities for growth. The present allocation is much too low."

indicates by its tone the difficulty experienced in securing more funds for staffing. For example, when Boris Popoff was appointed lecturer late in 1966 the staffing allocation (for Accounting) was reduced by two Assistant Lecturers!

Problems of recruitment

The problem of getting a larger allocation was not helped by the demonstrated difficulty of recruitment of staff. The New Zealand universities had not been producing potential academics even in Accounting, much less in areas like Marketing and Management. We had to depend on recruiting lecturers from overseas in the non-accounting areas, and at the same time developing some of our own junior staff at Assistant Lecturer level. Recruitment was far from easy. For example, in 1966 there were two unfilled posts in management studies.

Need for senior appointments

The need for high level leadership in the developing areas was stressed in the 1966 Annual Report of the Faculty:

"Consideration will have to be given soon to the establishment of additional Chairs in Commerce. At present our courses are far too

dependent on a few senior teachers. There is an urgent need to reduce this vulnerability and to provide more opportunities for research by senior staff members. I consider that the present is a time of opportunity for the University of Otago to consolidate its position in this field of teaching where the growth prospects are excellent. This opportunity may not be available for long."

What had begun as the agreement of the University Council to provide for the appointment of a Senior Lecturer in Management to teach the subject "Business Organisation and Management" had led quickly to a situation which posed a whole set of problems to the university administration.

Unwelcome discouragement

It was about this time that the then Vice-Chancellor, Dr Arthur Beacham, included some visits with Deans of business schools in the United States in an overseas trip. The outcome was a note in the report to the University Council (and, indirectly, Senate) that Deans of business schools generally favoured management education at the postgraduate and post-experience level. There was a strong inference that courses at the undergraduate level should be discouraged. Unfortunately he had not discussed his findings with his Dean of Commerce before finalising the report! I recall preparing a response, which I circulated to all the addressees of the Vice-Chancellor's Report, criticising his findings and regretting his omission. A Vice-Chancellor is a very influential person within the university; and Dr Beacham's support would have been most welcome at this time. But at least I was able to take advantage of his slip in etiquette!

Overseas students

The 1967 year saw the beginning of an influx of mainly ethnic Chinese students from Singapore and Malaysia who had encountered serious problems in completing appropriate courses in their own countries. These students, and those who followed them, generally overcame problems of culture, language and environment to perform very well in their courses. They brought an interesting international input to the Commerce Faculty that was relevant to New Zealand as a country bordering the Pacific and likely to depend increasingly on Pacific trade. Some of these students were very able indeed!

Continuing rapid growth

Student numbers continued to increase quite rapidly. In 1968 the Faculty roll of 571 consisted of:

Graduate students	14
Undergraduate students (internal)	469
Undergraduate students (extra-mural)	88
	571

58 overseas students were included. Full-time student numbers had risen from

1. My wife and I have pleasant memories of I being entertained by Otago Commerce graduates in Singapore and Malaysia during a visit in 1975.

143 in 1966 to 277 in 1968 - almost double! The additional work-load placed considerable strain on staff members. In my 1968

Annual Report, I expressed my "deep concern over the inadequacies of Commerce Faculty staffing", pointing out that -

"Inadequate staffing has prevented us from meeting the demand, actual and potential, for:

1. Post-graduate courses designed to meet the needs of graduates from other faculties
2. Short-term specialised courses of the executive development type for people from industry
3. Refresher courses for accountants in practice
4. Courses at undergraduate level in production management and business policy."

Staffing crises overcome

A considerable risk had been accepted in expanding courses in Commerce to embrace the wider areas of business and administration. A close to crisis situation developed twice during 1968, first with the departure early in the year to an academic post in USA of Dr Adolf Diegel, and then late in the year with the departure after one year only of Mr George Holmes, who had been recruited late in 1969 from a post-experience M.A programme in Marketing at the University of Lancaster to take over our Marketing courses from Mr W T White (who had resigned). Dr Diegel had made a unique contribution, and we had only relatively inexperienced staff to fill the gap. These were serious losses.

The situation regarding Management classes was helped greatly by an arrangement with a visiting Psychology professor, Professor F R Wickert of Michigan State University, to provide some teaching in the third term. He was an industrial psychologist; and it was through his influence that we put forward the idea of a shared appointment, with the Psychology Department, of a teacher with that specialisation. Our objective was to provide some more scientific input into the teaching of the behavioural and organisational management courses. (This led in 1970 to the appointment of Mr J H K Inkson M.A. (Aberd) M.Phil (Lond)).

The end-of-year resignation of Mr Holmes put at risk the continuation of the vital course in Marketing Management. Fortunately we were able to persuade Mr R A Strang B.A., B.Com, one of our own graduates, to come from industry at short notice to teach the course for 1969. The terms of his appointment included an undertaking that he spend 1970 on a postgraduate programme at a United States university in order to expand his knowledge and qualifications.

These rather desperate measures had a very satisfactory ending for both parties. We were able also to promote Mr A F Stent B.Com, another of our graduates, whose degree had been in Economics as well as Accounting, to undertake the teaching in the subject "Mathematics and Statistics for Management" and so fill another gap left by Dr Diegel. Two English academics, Mr R J Butler B.Sc Eng (in Management) and Mr R C Skinner M.A. (Axon) (in Accounting), arrived late in 1968 to strengthen the position further. Finally, we were fortunate in securing the services of Professor Don C. Mosley, a visiting professor in the Management area and a colleague from the University of Alabama, to spend the whole of 1969 with us.

An unhelpful inquiry

The Faculty had made representations in March 1968 for a substantial increase in the staffing establishment, including the early establishment of a Chair in Management Studies. The University Council decided, not surprisingly, to set up a Council Committee to enquire into Commerce Faculty staffing. In due course a report was produced by this Committee which was seen by some of us as having important deficiencies. This was a time of decision in Faculty affairs, so that it is of interest to produce some extracts from the statement of a committee of the Commerce Faculty appointed to develop a Faculty response to the generally unhelpful report of the Council Committee.

The Faculty's response

The statement began with an outline of the immediate staffing problem:

"The Commerce Faculty has been very concerned over its inadequate staffing, as evidenced by:

1. A most unfavourable staff/student ratio in courses actually offered.
2. An inability to offer certain necessary and desirable courses at both undergraduate and postgraduate levels and through the University Extension Department.
3. A most unsatisfactory degree of uncertainty in regard to the maintenance of courses in management studies.
4. Inability to generate and carry out a satisfactory volume of research.
5. The inability of the Dean as the one man at professorial level¹ in a faculty of almost 500 students to cope with his expanding task as:
 - (1) Dean of the Faculty
 - (2) Professor in his own subject, Accounting.
 - (3) Head of a department which embraces a very wide field in accounting, finance, business law, and management studies, and which requires the maintenance of mutually useful relationships with the business community.

Reference was then made to the quinquennial submissions of the Faculty in which the longer term needs of the Faculty had been outlined:

"In the longer range planning embodied in the quinquennial submissions of the Faculty of Commerce, the case for an increase in staff to achieve a reasonably secure and academically acceptable position was presented. This increase included the establishment of a Chair in Management Studies, a second Chair in Accounting, and a Chair in Marketing - in this order of priority. In this submission and in supporting evidence, the Dean stressed some additional facts, including:

-
1. Unless the Professor of Economics is regarded as primarily Commerce .

The need for the University of Otago to attract students from outside this low population growth area, as related to the capacity of a developed Commerce Faculty to attract and cater for students at low costs.

2. The contribution that a developed Commerce Faculty could make to the City of Dunedin and towards an improvement in university/society relationships.
3. The very great changes which had taken place in the Commerce Faculty over the last five or six years, which called for a complete reassessment of this part of the University's activity. Over the years 1964/8 there had been - in round figures - a doubling of the number of "effective full time students" a trebling of the numbers of full time students. as well as the development of a very large demand by Commerce students for courses in management studies and in marketing."

From that base, we proceeded to criticise some sections of the report of the Council Committee.

The Committee had been set up "to consider Commerce Faculty staffing and in particular the proposal to establish a Chair in Management Studies", but had failed to follow its terms of reference by limiting its coverage to management studies in the Faculty of Commerce with particular reference to the establishment of a Chair in this field". In our Faculty response to the report of the Committee, we pointed out the discrepancy, which

"...is most unfortunate because it limits the value of their report, since in practice management studies have to be seen in the context of the total Commerce teaching programme.

Two points should make this quite clear:

- (1) The development of a diploma type one-year course as recommended by the Committee would involve all areas of teaching within the Commerce area, and not just management studies as narrowly defined.
- (2) The inability of the Dean to do justice to the demands made on him arise from the whole teaching area.

It is also unfortunate that, in so interpreting its terms of reference, the Committee has not produced evidence of even medium term forecasting and planning, such as might have been expected from a study of the Faculty's quinquennial submissions.

In making these criticisms, the Commerce committee is well aware of the heavy demands made on individual members of the Committee in regard to other University matters during 1968."

There was a need for tact. This was the Report of a Committee of the University Council including academic colleagues whose goodwill was badly needed by the Faculty.

We then went
Committee as regards the adequacy of staffing in the short and longer terms, that -

"...the Committee does not consider that a need has been established for more staff than has already been approved by the Staffing Committee".

A note to the Report stated:

"The Faculty appears to have a staff approved for 1969 which gives a staff/student ratio of approximately 1/20. This is better than the departments of history and economics, and about the same as education... It must be recognized that the faculty has a somewhat wider range of interest than most single Arts departments.

Our enquiries revealed serious deficiencies in the comparison of staff/student ratios - quite apart from the application of 1969 approved staff levels in Commerce to 1968 Commerce student numbers. The "official" calculation of staff-student ratios for 1968 was:

	Effective full <u>time students</u>	Effective full <u>time staff</u>	Staff/student <u>ratio</u>
Commerce	334	111/2	29.6
Economics	118	4	29.5
History	171	7	24.4

But further enquiry revealed that two staff members in Economics were excluded from the calculation because their salaries were met from the Donald Reid Fund. As we stated:

"It is inadequate to state in justification that Associate Professor Child and Mr Woodfield had only limited teaching commitments, and were engaged extensively in research. The functions of every department include research."

We went on to stress the deficiencies of even fairly calculated staff/student ratios as a basis for decisionmaking on the adequacy of staffing:

"The comparison of staff/student ratios without considering the complex requirements of individual subject areas for staff/student interaction, and without regard to grades of staff involved (A professor ranks equally with an assistant lecturer), can lead to quite incorrect conclusions.

While some use of statistical measures is unavoidable, considerable care is clearly necessary in the use of such measures in the complex area of University teaching and research. It is probable that the achievement of optimal results requires a different mix of formal lectures, tutorials, seminars, and group and individual research projects at every stage of every subject. While there is a considerable body of knowledge in the various areas of business studies which can be taught by the formal lecture, there is an important need for individual and group activities which require the stimulus, control, and assessment of teachers if effective results are to be achieved. For these reasons, the Commerce committee considers that conclusions based mainly on comparative statistical evidence, even if fairly calculated, should be questioned seriously.

Then there was the question of diversity of the courses within Commerce:

"To say that the Commerce Faculty with its studies in Accounting, Auditing, Cost Analysis, Business Law, Organizational and behavioural studies, Mathematical applications in business decision making, Systems, business computer applications, and Marketing management, has a "somewhat wider range of interest than most single Arts departments" is to make a gross understatement of this important factor of diversity which affects the comparability of the staff/student ratios of different departments."

We drew attention also to the lack of consideration given to the longer term, when decisions were based merely on a superficial (!) study of the current staff/student relationship).

A Chair in Management Studies?

The Council Committee had expressed limited support for the establishment of a Chair in Management Studies, but stressed (quite correctly) the probable difficulty of finding a suitable appointee. The Commerce Faculty view was that the University should establish the Chair without delay and do its best to fill it acceptably. As we put it, in response to the findings of the Council Committee:

"The view of this Commerce Faculty committee is that the establishment of a Chair in Management Studies is an urgent need, but that it is only one step towards what it is essential to provide in Commerce Faculty staffing. As pointed out in the "background" statement in this report, the present position is far from what is desirable over the whole area of Commerce Faculty interests.

So far as this one factor is concerned, a permanent Chair in Management Studies is required because:

- (1) It would put management studies on the same footing as other disciplines.
- (2) It would fill an urgent need in the New Zealand scene, as we try to meet the challenges of economic change.
- (3) It would provide effective leadership and a continuous policy in management studies.
- (4) It would assist in recruiting staff from overseas.
- (5) It would assist in keeping staff, particularly in view of the fact that staff now have no adequate supervision facilities for advanced research work.

The assurance that "proposals for short-term or visiting appointments (if necessary using certain bequest funds for additional travelling expenses) would be sympathetically considered" is appreciated. It recognizes the importance of management studies in particular to Commerce students and to the University. But one cannot provide for the effective continuing leadership of junior staff members, the formulation of stable

courses, and the guidance of research projects, by stop-gap measures of this kind."

Wider availability of Commerce courses

The Council Committee had discussed briefly the desirability of having some Commerce courses available to other faculties. In response we drew attention to the "well established and formulated" courses in Accounting (and Finance) and Business Law. The courses in behavioural and organisational aspects of management were then being reformulated under new staff members, but "...stability (would) not come until we have effective leadership in this important area of study". Courses in Marketing Management required an adequate background of business-related studies; but a graduate from another faculty could complete a B.Com majoring in management studies in two years.

Possibility of a Business Diploma course

Possibly as a follow-on to the work of the late Professor Billing, the Council Committee commended further study of the possibility of a one year diploma programme suitable for graduates from other faculties. In a Faculty response, we stated:

"This programme calls for the development of special lecture courses, with a heavy emphasis on individual learning and individual participation. To implement such a programme is quite beyond our present staff resources. The relatively modest increase in staff required for this programme would give greater stability to the staffing of our present undergraduate teaching. It is very much in the interests of the University of Otago that this development be undertaken; but it cannot be done with present staff."

- but we undertook to produce a report to Faculty "on the design and staffing implications of a one year business studies programme for graduates from other faculties".

Why Otago?

The University of Otago had been leading the way in New Zealand in providing university courses in management and marketing, with wider (than accounting and economics) options in its Commerce degrees. It was not surprising that these developments met with criticism as well as support. Why Otago? Why not Auckland? Indeed some development had now taken place at the Victoria University of Wellington, but little if any at Auckland and Canterbury. It was not unreasonable for the Council Committee to question the appropriateness of our development at Otago, as indeed it did:

"There seems to be no reason to provide in Otago the concentration in management education which is being promoted in Victoria and which, if emulated here, would make this also a special school of major importance."

This negative view called for a firm response. As we pointed out:

"Victoria has a very proper emphasis on Public Administration; but has not a strong development of management studies related to business.

There is no good reason known to this Commerce Faculty committee why it is inappropriate to develop management studies at depth in the University of Otago. It could be done well within the limits of a reasonable staff/student ratio. So far as "a special school of major importance" is concerned, one should think in terms of the present almost 500 Commerce students who constitute a very large interest group almost equal to the Medical enrolment and who are getting much less than their due from the University; and of the potential development within Commerce from which the whole University would benefit.

The University benefits now from Commerce student numbers, but these numbers mean obligations to an extent not properly recognized at present.

Academic reservations

So too did another critical comment, which reflected viewpoints that had been expressed both within and outside the University:

"...the committee has reservations about the degree to which management can be taught as an academic study..."

The issue was crucial for the development of management studies at the University of Otago. We were fortunate in having visiting (Management) Professor Donald C. Mosley to assist us in providing reassurance to the University Council. Here is our response:

"With respect, we disagree with the Council committee's views. We believe that their comment displays a lack of appreciation of the difference between "management" and "management studies". We at the University of Otago are concerned with the latter. If the Council Committee has doubts about management studies as a University discipline, they would place us at Otago almost alone in the modern world in our views.

The evidence of a need for the improvement of management skills is all around us and no less here in New Zealand, with her grave economic problems, than elsewhere in the world. We have, as yet, no institution providing management education at a high level. In this respect New Zealand is far behind many of the developing countries.

There is in existence a considerable body of knowledge in management. Much of it is disjointed and most of it a matter for controversy and debate but there is developing, in the belief of all who are deeply involved in the teaching of management, a new and important discipline.

Management is a practice involving action. The professional manager needs analytic and diagnostic skills in the same way as a doctor does, and he needs remedial skills also. He needs to draw upon a body of knowledge to aid him in the development of these skills.

Unfortunately many managers are not aware of the knowledge that is available to them. The 'rule of thumb' tends to predominate or they draw entirely on their own personal experience and neglect the store of experience and knowledge accumulated over time. Consequently, old

mistakes tend to be repeated."

We concluded our response to the report of the Council Committee by asking for a reconsideration of its findings:

"The Commerce Committee notes with appreciation the time and effort put in by the members of the Council Committee. They believe that, as a result of an inadequate appreciation of the terms of reference, some unfortunately misleading statistics, and some lack of knowledge of the specialized field being dealt with, the conclusions of the committee do not provide satisfactory answers either to the problems of the Commerce Faculty or to the opportunity available to this University through its Commerce Faculty. It is frustrating to the Commerce Faculty staff to see so much that we should be achieving, and cannot; and so much that we are doing that is dangerously insecure. The view of the Commerce Faculty committee is that the Council committee be asked to reconsider its report in the light of a further Commerce Faculty submission based on this report."

That submission was made, and no doubt it had some influence. The Chair in Management was established late in 1969. Perhaps a more positive view was taken within the University of the problems and aspirations of the rapidly growing and evolving Faculty of Commerce.

SOME STAFF MEMBERS FROM THE PAST



Mr J. A. Valentine (Accounting)
1948-69 Chancellor of the University
since 1982



Mr R. S. M. Sinclair
1952-1966
(Secretarial Law and Practice)



Mr J. E. Govan
(Business Law) 1960-1965



Mr J. M. Freeman
(Accounting) 1962-1985



Mr H. J. S. Tilley
(Accounting) 1953-1971



Mr W. S. Gilkinson
(Auditing) 1954-1976



Mr A. A. Anderson
(Taxation) 1962-1978



Mr J. B. Hamel
(Business Law) 1966-1985

was approved (not without some interesting debate!) by the University Senate, and sent on to the Universities Curriculum Committee for approval.

Opposition

It was not surprising that the Curriculum Committee had some difficulty with the proposal. The idea of awarding a master's degree after a one year course (albeit extended) to students who had not done a relevant first degree was at least different. It became less palatable when the proposed course regulations allowed for the admission of a candidate who -

"...holds professional qualifications or has practical experience in management or administration accepted by the Senate as evidence that he is qualified to benefit from the course".

- as well, of course, as university graduates. There is little doubt too that adverse comment would come from some other universities whose parochial interests may well have been supported by a genuine belief that Otago was not the University to run such a programme. There were some grandiose ideas about at the time regarding a "national school of business", but a lack of the necessary initiative and commitment of individual teachers and administrators to bring it about. It takes committed and enthusiastic people to pioneer.

Planning an MBA programme

While the Curriculum Committee deliberated on the MBA proposal, we at Otago prepared a draft brochure to use in marketing the course. We also made tentative arrangements with the convener of our courses in Business Law, Mr John B. Hamel, and with Professor J W Williams (Economics), for their planned contributions to the course; and carried out some detailed course planning. The draft brochure is provided as Appendix 4, as it set the broad pattern for what became eventually a very successful development at Otago.

Rejection: The Postgraduate Diploma substitute

The June 1970 meeting of the Faculty noted that the Curriculum Committee had not approved the introduction of the proposed MBA course, but would give its approval if the award were of a Postgraduate Diploma in Business. The result of the rejection was that we had to redesign the course to suit a normal academic year and to then submit revised draft regulations through Senate to the Curriculum Committee. Clearly it was too late to offer the course in 1971, and Faculty decided to this effect in November 1970. In due course, the regulations for the Postgraduate Diploma in Business were prepared and received the necessary approvals.

A notable retirement

Mr J A Valentine concluded a long association with the Commerce Faculty as a teacher in Accounting at the end of 1969, and the Faculty recorded the following minute at its meeting in February 1970:

"The Faculty records its appreciation of the contribution made by Mr J A Valentine as senior lecturer in accounting (part-time) to the teaching and administration of the Commerce Faculty at the University of Otago. Appointed in 1948, Mr Valentine developed an enviable reputation as an



Members of staff at the time of the University Centennial 1969

Back Row: B. Popoff (Accounting), A. D. McLay (Accounting), K. R. DeCourcy (Law), A. W. Baylis* (Accounting), R. A. Strang (Marketing), R. C. Skinner (Accounting), A. F. Stent (Quantitative Methods), J. B. McKenzie (Auditing).

Front Row: A. Anderson (Taxation), W. S. Gilkison (Auditing), Professor T. K. Cowan, J. M. Freeman (Accounting), Mrs G. O'Leary (Secretary), B. R. Dixon (Accounting).

Inset: J. A. Valentine (Accounting).

Absent: Visiting Professor D. C. Mosley (Management), R. J. Butler (Management), H. S. J. Tilly (Cost Accounting), W. R. Jackson* (Accounting), N. S. Marquet, J. B. Hamel and K. E. Kendall (Law), S. Harvey* (Accounting), D. F. Symon (Management).

* Tutor

able teacher. In spite of an increasing level of responsibility within his profession, leading finally to his holding the office of President of the N Z Society of Accountants, and his growing business interests, Mr Valentine was unstinting in giving his students the benefit of his talent and experience in accounting. In faculty matters, his perceptive and reasonable approach has been of great service over the years. The faculty appreciates that, while he is relinquishing his post as a teacher, he shall be continuing his interest in the work of the University through service on the University Council."

Indeed Mr Valentine did continue to contribute much in time and talents to the work of the University Council, and went on to become Chancellor of the University in 1982.

Move to the "Commerce complex"

Accommodating the Faculty of Commerce had become a serious problem. We had outgrown our share of the old Dental School building (Zoology/Commerce) and the Department of Zoology wanted the space. In January 1970 we moved to a set of four houses at the North end of the University campus (Castle and St David Streets). It was far from ideal even after renovation, but it did provide enough staff studies for immediate needs as well as some seminar rooms. We had two "Accounting" houses (including the Dean's office and the staff room), a "Marketing" house, and a "Management" house. At least the complex was our own, and it was closer to the main University buildings.

Organisational problems

Included among a list of "our most pressing needs" in the 1969 Annual Report of the Faculty was "The need to develop an appropriate organisational structure". The "School of Business" had developed from the Department of Accountancy which was a strong well established part of the University. Now there was a growing staff establishment in Marketing, Management, and Quantitative and Statistical studies, and significant increments were planned in staffing and course commitments. The administration showed no enthusiasm for the idea of a full-time Dean at some time in the future. In a situation of diverse as well as common interests, how might we best organise the "School of Business"?

Alternatives considered

The alternative forms of organisations were either to establish separate university departments with Heads responsible directly to the University Council (in line with the normal university pattern), or to have a Dean responsible to the Council for a Business School, broken up into departments (or sections) responsible to the Dean. The former provided more freedom for departmental heads (e.g. in Marketing) to develop their own individual courses and staff establishments. The latter arrangement might be expected to facilitate a more unified approach to the problems and opportunities of the School of Business as a whole, recognising the interdependence of the relevant disciplines and the potential gains from the collaboration of staff members across those disciplines.

△ "School of Business"

In 1970 the University Council recognised that what had been the Department of Accountancy should now be more properly designated a Department of

Business Studies, to be known as the "School of Business". This provided a temporary solution only, and the issue was to be raised again on the appointment to the Chair in Management.

Undue burdens

In the meantime, undue burdens were being placed on the shoulders of the Dean, doubling as Head of a growing Department of Accountancy and part-time head of the "School of Business". Student numbers had continued to rise steeply:

	1968	1969	1970
Graduate students	14	9	10
Undergraduate students (Internal):			
full-time	273	322	377
part-time	196	183	193
	483	514	580
Extra-mural students	88	89	92
	571	603	672
These included overseas students	58	68	90
Degrees completed: M.Com	1	1	3
B.Com	57	77	73

Study patterns:

It had become popular for accounting majors based in Dunedin to have two years of full-time study and then to complete their degrees part-time. Invercargill students often spent two years of part-time study at the Southland Polytechnic and then came to the University to complete their degree courses. University staff members assisted Southland teachers by providing detailed course outlines and other aids, and Southland students by providing seminars.

The percentage of Commerce internal students studying full-time was now as high as in the Arts faculty.

Extension courses

With encouragement from Mr D Rutherford, the Head of University Extension, it had become a matter of Faculty policy to offer short courses attractive to business executives and to accountants and financial officers. For example, the 1969 Annual Report mentions as a highlight a Senior Management Seminar, which had attracted senior executives from all over New Zealand. A Centennial Study Conference for accountants had been very successful. Courses for chief financial executives on problem areas in financial reporting brought to Otago executives from many leading public companies. The 1971 report of the University Extension Department records no less than twelve offerings in Dunedin, with numbers of participants ranging from 11 to 48, and six more in Invercargill, four in Accounting, one on the Critical Path Method (of work scheduling), one in Marketing Management and one on an Industrial Relations topic. This activity provided good publicity for the Otago School of Business, and kept staff in touch with the practical world, besides providing a valuable service to the community.

Important staff additions

In 1971 we had been able to recruit an Australian, Mr W R Lawson B.Sc. (NSW) to a lectureship in Management, and to persuade Mr L McLean, then an honours student of mature years, to accept a lectureship in Accountancy. He went on to obtain a doctorate and to be appointed to a Chair and as Head of the Department of Accountancy on my retirement at the end of the 1981 academic year. Another welcome staff member at this time (1972) was Mr S A Margrett B.Sc. (Birm) M.S. (Minn) who was appointed to a post in Marketing.

Professional Studies courses

In 1972 we expanded the course in Accounting 3, and excluded coverage of Auditing from the subject. A class in Auditing, with others in Taxation and in Trustee Law and Accounts, were provided to prepare students for the Accountancy Professional Examinations. (At a later date we were to combine these courses into a degree unit, Professional Studies, which was able to be cross-credited to the Professional course.) Mr L B Brighton was brought in to teach the class in Estate Accounts on a part-time basis.

New appointments

Further appointments in 1972 were Mr A W Thomas B.Sc. (Lond) MBCS, to teach Computer Systems, and Mr C L Miller B.S. (San Diego) M.Sc. (Lond) to teach Quantitative Methods. Professor Rossell was able to recruit Mr R Turner M.Tech. (Brun) to a Senior Lectureship in Management. Bob was to give sterling service until his untimely death "in action" in early 1988, including several years as Dean of the Faculty.

PART 9: PROGRESS TOWARDS MATURITY

A period of stress

Early in 1972 I was overtaken by illness (angina) in a quite severe form. It was necessary for me to reduce the demands on my time and energy at a time when the leadership role in our rapidly developing Faculty was particularly demanding. To an outsider, the solution to the problem may have seemed obvious. I should resign as Dean in favour of Professor Rossell. But the problem was not that simple.

I had a considerable personal investment in what had developed as a School of Business at Otago, and several objectives still to be achieved. I was loath to relinquish the leadership of the enterprise. Further, Professor Rossell had still to earn my confidence and that of the great majority of the staff. He had been accustomed to the role of critic reporting direct to the chief executive of a business. His familiar organisation was the business enterprise rather than an academic one where there had to be considerable scope for development "from below", following the initiatives and gifts of individual teachers. I had hoped for a partner and supporter to work with me and to share the leadership role. Instead, and rightly or wrongly, it seemed that I had acquired a critic with the ear of the then Vice-Chancellor! Professor Rossell seemed to have come with the unwelcome idea that he would take over control of the "School of Business". This was not in line with the official terms of his appointment, and I was unwilling for it to happen. Further, the Dean was elected rather than appointed; and it was made clear to me that the staff generally did not want Professor Rossell as Dean. This was the trying situation which had developed before my illness.

There was another aspect of the situation in 1971-4 that made my illness doubly unfortunate in its timing. For years the Department of Accountancy had been dominant in the Faculty, and had attained a certain maturity. The new subject areas which it had "fathered", having survived the real perils of "childhood", were reaching the difficult stage of "adolescence". To what extent was it desirable that each subject area be organised independently of the others, as in the normal university situation where heads of departments were responsible directly to the University Council? The subject areas were interrelated, and teachers could be expected to have knowledge and interests beyond their particular area. In a less departmentated organisation, there could surely be benefits of synergy in research as well as teaching. The other area for decision was how far specialised courses in particular areas should be developed - including first year courses. Should limits be set in order to protect the concept of the broadly based B.Com degree which had been an Otago achievement? In this regard, should there be a review of the degree requirements regarding compulsory courses in accounting and finance? Dealing with these difficult matters successfully would require the willing and sensitive co-operation of all senior staff members; and, unfortunately, the situation did not lend itself to this. The unhappy outcome was friction rather than working together to find an optimal solution. Certainly there was a clash of personalities, but the problem went much deeper than that. Our problems were brought to the attention of the Vice-Chancellor, who instigated an unsuccessful "mediation" exercise by Professor Hugh Parton. The next step was for the University Council to set up a special committee to make recommendations to Council concerning the organisation and chairmanship of the School and the Faculty of Commerce. Discussion extended into 1973, and a trying time was had by all - not least Professor Parton and the members of the Council Committee.

A year of attainment

Nevertheless the 1972 Annual Report of the Faculty describes 1972 as "A year of attainment" as indeed it was. Here is an extract from the Report:

"The year 1972 saw the culmination of a period of interesting development within the Faculty of Commerce, with the evolution of the School of Business and of a broadly based Commerce degree with opportunities for mainly full-time students to proceed to advanced studies in a range of disciplines - accounting and finance, economics and marketing. In 1972 there has been viable staffing for the first time in the management, marketing and quantitative areas. Under Professor Russell's leadership, the management courses were redesigned, and a Management 3 course is to be offered in 1974. For the first time in our history, we have two doctoral candidates. The Postgraduate Diploma in Business course was launched in 1972 with a selected intake of non-Commerce graduates from New Zealand universities; and achieved a standard well up to expectations. Our first appointment was made in the field of Computer Systems. A useful offering of post-experience courses through the University Extension Department attracted entrants from all over New Zealand. We maintained our liaison with the New Zealand Society of Accountants, the New Zealand Institute of Management, the (Otago) Chamber of Commerce, Otago Council, Sales and Marketing Executives Institute and the Institute of Personnel Management. Late in the year, a government financed Business Development Centre was established at the University, with Professor Russell as Director, to provide management services to South Island businesses as a contribution towards regional development. The Centre will become active with the arrival of staff early in 1973. With close on 700 internal students, the School of Business now forms a significant segment of the total activity of this University.

Organisation: Pros and Cons

The concern of Professor Parton and the Council Committee was with how what had evolved in Commerce, the "School of Business" (or of "Business Studies), should best be organised. Should it be divided into a set of independent Departments, with heads responsible directly to the University Council, or as a "School" under a Dean responsible to Council? If the latter, then should the Dean's be a full-time or part-time role? What should be the place of the Department of Economics in the organisation of business studies at Otago?

There were some convincing arguments against complete departmental independence. There were interrelationships and interdependence among the Commerce subjects. Individual staff members might well be able to contribute to courses in more than one discipline. Postgraduate courses like the planned Postgraduate Diploma in Business and the hoped for MBA required centralised control and the participation of all departments. Unity could mean strength in dealing with the administration over staffing and development. After all, it was student numbers in accountancy classes which had provided the initial statistical justifications for the appointment of staff in developing areas.

On the other hand, to operate a Business School as an integrated whole would require the appointment of a Dean who would be full-time, or close to it, and there were mixed feelings in the University at that time about having full-

Deans of special schools.

The Head of an independent department responsible directly to the University Council would have greater freedom to control and to develop his department and section of an important to encourage his in the School of Business. It was

Towards a solution

The immediate problems were the division that had developed within the "School of Business", roughly (but not precisely) between Management and the rest, and what was seen as a personality clash between the Dean and Professor Russell. The division within the School of Business was not helped when, in 1973, Professor Russell and the Management staff moved across the Leith to Black House, to be with the recently established Business Development Centre. We lost the potential for harmony of a shared Common Room.

The outcome was a compromise. The "School of Business Studies" was to be divided into three departments:

Accounting and Finance
Management
Marketing, Quantitative Methods, and Computer Systems.

A Board of studies comprising a representative of each department plus the head of the Department of Economics was to meet monthly, under the chairmanship of the Dean, to carry out the integrating role. A third Chair was to be established (and filled) as soon as possible.

These recommendations were adopted by Faculty in July 1973, and Faculty sought the establishment of a Chair in Marketing as soon as possible.

Trying years

Seeming to have little option but to accept nomination again, I was re-elected Dean for a further three years, to the end of 1975. In September, 1973, Mr R Turner (Management Department) was appointed Sub-Dean. At the same time, I sought relief (again) through the establishment of a second Chair in Accounting and Finance, and obtained the support of Faculty for this early in 1974. But in the event no appointment was to be made until my retirement in 1981! Unfortunately the compromise "solution" over the organisation of the Faculty added to rather than took away from the demands made on me as Dean. The years 1972-4 were trying indeed, but they were also important years in the development of the Faculty.

Postgraduate Diploma in Business: MBA plans

The postgraduate Diploma in Business Course (MBA) was launched in 1972, and continued for four years, attracting small numbers but providing good experience for staff across the Faculty in this type of programme. It was to lead the way for the emergence in 1977 of the Advanced Business Programme with the MBA (Master of Business Administration) course as its principal ingredient. The MBA had been our first objective. The possibilities were revived in 1973/4, and a new recruit to the Management staff, Mr (later Professor) Ron J Moore M.Sc. (Lond), agreed to develop a detailed plan from a study of our earlier

proposals, programmes in overseas universities, and the New Zealand and Otago situations. The ultimate higher approval of the course, and its offering in 1977, owe much to the work of Ron Moore and the keen backing of Professor Russell T.

Computer Systems courses

Important progress was made in developing studies in Computer Systems relevant to users in the Commerce area. The University had established its own Computing Centre, under the wing of the Science Faculty, and courses were offered in Computer Science. The head of the Centre, Professor B G Cox, and his staff had been very helpful to us as our need for course input on computing increased. Fortunately we were able to convince the University Staffing Committee in 1971 that we should be allowed to recruit a lecturer to the Commerce Faculty to teach in the field of computer applications in the business field, including the processing of financial and statistical data and the development and maintenance of accessible information files. The appointment of Mr A W Thomas B.Sc. (Lond) to the post in 1972 was to prove the thin end of another wedge, leading finally to an additional specialisation open to Commerce students.

A half-unit in Computer Systems had been established in its own right (i.e. separately from the Analytical Methods courses) in 1972, and attracted considerable interest from students. Class enrolments were:

A new unit, Computer Systems 3 (later Information Systems 3) was established as a specialisation unit with classes of:

1974: 12 1975: 14 1976: 11 1977: 23

Accounting majors were quick to see the advantage of a "double major" in both fields, and were attracted to the course. Further development was to follow, in providing computing facilities for staff and student use, in course requirements and standards, and in flow-on to other courses (such as Accountancy).

Industrial Relations

Another development was the appointment in 1972 of a specialist in the important area of Industrial Relations. Mr A J Geare, a graduate in Economics, was to go on to become the third holder of the Chair in Management. He contributed to the Management courses, and provided a specialist half-unit in Industrial Relations, at Stage 2 level. Student support was relatively small, however:

1974: 17 1975: 15 1976: 18 1977: 24

Management courses

A quite strong and varied teaching team had developed in the Management

1. The Course Regulations for the MBA and for an associated Diploma in Personnel Management are provided as Appendix 5.
 1972: 13 1973: 25 1974: 51 1975: 55 1976: 69
 1977: 91

area. Professor Russell (1972) had strengths in manpower planning and corporate management. Kerr Inkson (1970) provided something of a scientific input through his specialism of Industrial Psychology. Alan Geare (1972) contributed from his background in Economics and his specialism in Industrial Relations. Bob Turner (1972) had had considerable experience in Production Management. Ron Moore (1974) was a man of considerable experience in management education and practice.

A review of the Management courses in 1972 led to some name and course changes in 1973. The introductory course, Concepts in Management, which had become a part of the common core of the B.Com degree, became Management 1 half-unit. A new course, Management 2, replaced the half-units Human Relations and Human Organisation. One paper concentrated on behavioural aspects of management, and the other on management in relation to the production, personnel and industrial relations functions. A Management 3 unit was to be offered in 1974, with the following prescription:

- "(a) An integration of the theory and practice of management through problem diagnosis, case studies and supervised projects.
- (b) Consideration of contemporary N Z business problems; analysis of business and industrial development; the role of small businesses and the growth of the large corporation; the technological, political and social environment of modern business."

In retrospect, this was an ambitious coverage for an undergraduate programme. It attracted very small support from students. Presumably there was a concern for the rust job, which favoured majoring in a specialised area such as Accounting, Marketing, Economics, and Computer Systems. It was not until 1984 when there was a substantial redirection of the course, with a new name, Manpower Studies 3, that the Management specialisation attracted strong student support.

Student numbers in 1972 had been:

Concepts in Management (half-unit)	213
Human Relations (half-unit)	147
Human Organisation (half-unit)	89

The courses in 1973-7 attracted:

	1973	1974	1975	1976	1977
Management 1 (half-unit)	109	197	224	272	249
Management 2	50	38	27	47	42
Management 2 (half-unit)	27	9	10	11	29
Management 3	-	9	9	6	9
Industrial Relations (half-unit)	-	17	15	18	24

It must have been disappointing to Professor Russell (in particular) to have such a poor response to the Management 3 programme, and easy for him to get the view that Management was being used largely as a provider of service courses for students specialising in other areas. There was some alleviation of this point of view through the Postgraduate Diploma in Business course, and finally through

Advanced Business Programme Directors



Dr D. Wright
Director 1978-1983



Mr G. R. Elkin
Director 1984-1988



Mr T. W. Batley
1983 —
(Acting Director)

In addition to Mr T. Batley, Mr R. Turner, Professor P. Rossell, and Professor R. Moore, whose photographs appear elsewhere, were acting director for various periods.

the MBA programme, which were more suited to the type of coverage outlined in the prescription for Management 3. But this is being wise after the event!

Marketing courses

The lack of strong and continuing leadership was affecting enrolments in Marketing during this period, and it was not until the arrival in 1976 of Professor Guenther Mueller-Heumann to take up the newly established Chair of Marketing that a situation of stability and enterprise led to significant growth. In the intervening years, several teachers had made useful contributions, including:

Mr David Bridgeman-Sutton M.A. (Lanc), 1970-3
Mr Roger A Strang B.A., B.Com (Otago), MBA (Mich. State), 1969-73
Mr Stephen A Margrett B.Sc. (Bimt) M.S. (Minn), 1972-5
Mr Geoff H Neill B.Com (Otago), 1974-6
Mr M Merwitzer M.A. (Lanc), 1974-5
Mr Michael T Fay B.A. (Hull) M.A. (Lanc), 1976-

Courses which had tended previously to follow the hopes and desires of impermanent staff members were revised by Professor Mueller-Heumann, for 1977:

MARKETING MANAGEMENT 2 (half unit)

One paper and course work as required

A management-orientated introduction to marketing; a study of the marketing process within the firm and the relevant environmental influence factors, including the analysis of marketing opportunities, the planning, organisation and control of the firm's marketing mix (product, price, place, promotion) as well as a brief introduction to the concept of social responsibility of marketing

MARKETING MANAGEMENT 3

Two papers and course work as required

A management-orientated approach to an advanced study of marketing. The linking of marketing theory, research, institutions and applications in developing an understanding of the marketing decision-making process and the organisation of the firm's marketing programme.

The use of quantitative models and methods in marketing decision making. International Marketing from a New Zealand perspective and societal implications of marketing."

Professor Mueller-Heumann, who had a doctorate from the University of Nuremberg, was well qualified academically in his subject and in the general area of business-related studies. He was very well received within New Zealand senior management circles, contributing a great deal in specialist courses and in research and projects at a time when the country was in serious need of an orientation towards marketing rather than production. From its very shaky beginnings as an area of study at Otago, Marketing was to progress under his leadership to a very significant segment of the Faculty and University. His was the second Chair in Marketing in the country, and the first in the South Island.

Quantitative courses

The teaching in business statistics and in quantitative methods used in decisionmaking, covered in "Analytical Methods", continued as a service course through the 1972-7 period. The faculty was most fortunate in having in Alan F Stem an outstanding teacher and researcher with a strong commitment to Otago. First appointed in 1968, he continues to contribute 20 years later. We were fortunate also to attract back for a few years one of our own graduates who had proceeded from an Otago B.Com to obtain a Ph.D. at UCLA (Los Angeles). Dr Roger V Johnson joined the staff in 1974, returning in 1980 to USA where there was more scope for his particular specialism. Another contributor in quantitative methods was Mr C L Miller B.S. (San Diego) M.Sc. (Lond), 1972-4. An important appointment in 1977 was that of Dr David S Wright M.Sc (Rand), MBA, Ph.D. (Capetown), a South African with considerable experience in industry as well as teaching. His experience as a leader in an MBA programme in South Africa made him ideally suited to leading our new Advanced Business Programme. From "course co-ordinator", he took over as full-time Director in 1978, and became detached from the Department of Quantitative and Computer Systems - which had been separated from Marketing in 1977.

Business Development Centre

The Business Development Centre made a vigorous beginning with the appointment of a quite large staff. The 1976 Calendar shows Professor Rossell as Director and five "General Management Consultants" (J R S Higham, T W Batley, P W Laing, A S Fletcher and P Duffey). Professor Rossell gave an impressive account of the achievements of the BDC in the 1975 Annual Report of the Faculty. But the contribution from Government towards the funding of the Centre was reduced substantially in 1976, and the 1977 staffing was reduced along with the level of activity. Mr J R S (Richard) Higham B.A. (Oxon) Dip.Arch. (Lond) was Deputy Director and went on to head the Centre on the retirement of Professor Rossell from this office in 1978. Mr T W (Tom) Batley B.Sc. (Manc) C.Eng. M.I. Mech.E. was transferred to a lectureship in the Management Department in 1977. Messrs Laing and Duffey did not continue. But a new appointment (in 1977) of Mr T W (Tony) Lindop B.Sc. (Lond) was to be of considerable importance later on with his appointment as head of a unit dedicated to making university scientific and technical expertise available to industry and to the community.

Mr W Scott Gilkison

The death of Mr W Scott Gilkison in 1976 brought to an end over 20 years of service to the Faculty, as Lecturer in Auditing (part-time), as examiner, as a forceful contributor in debate on issues which he saw as important, and as a close link with the profession. It was through his help as the first co-ordinator of the Professional Accountancy Studies 2 programme that this course gained acceptance and became an established part of the Commerce offering. The Faculty lost a keen supporter, and we who knew him a close friend and associate.

Personal contributions

It was a considerable relief to me to be able to take a full year's sabbatical leave in 1975 - my first. In addition to my teaching and administration duties in my department, and my duties as Dean and Chairman of the Board of Studies, I

had been active in seeking to establish the need to recognise price and price - level changes in the measurement of profit for financial reporting and in the measurement of cost for the purposes of price control. Some of the titles of contributions to the literature speak for themselves:

1972: Misinformation - our contribution to industrial and social problems: The Accountants' Journal 50 No 8, 297-9.

1974: Inflation, profits and profitability: Some current mis-conceptions: Canterbury Chamber of Commerce Economic Bulletin

1974: The truth that nobody wants to know: The Accountants' Journal, July, 441-9.

Towards the end of 1974 I presented a case to an important Commission of Inquiry (into the Distribution of Motor Spirits and Allied Products in New Zealand) arguing the relevance of current replacement costs to the measurement of cost for the purposes of price control. The doubling of crude oil prices had presented a unique opportunity for this pioneering exercise. The case must have been convincing, as two of the three members of the Commission expressed support'. In retrospect, it was unfortunate to be leaving the country at this interesting time. Perhaps it was more fortunate so far as another issue was concerned! I had expressed serious criticism of the basis for setting electricity tariffs in New Zealand. It may not be unfair to say that any criticism of the industry was generally unwelcome within the industry at this time. But the economic consequences for New Zealand of the misguided pricing policies that had been followed for some years justified the opening up of the subject and the request for serious rethinking. The climax to my contributions appeared while I was out of the country:

"Electricity tariff setting in New Zealand"; Canterbury Chamber of Commerce Economic Bulletin No. 588 (1975).

There are good reasons for thinking that the paper had some influence on attitudes and events in the industry.

The Deanship

Faculty agreed with my recommendation that Professor Rossell be Acting-Dean during my absence overseas. I had been Dean for five consecutive three-year terms, and decided late in 1975 to make myself unavailable for a further term. The post had been elective, and the outcome was the election (during my absence abroad) of Dr R V Johnson as Dean for the term 1976-8. This must have been a disappointment to Professor Rossell, who had worked hard for the Faculty during the year. He had not found it easy to adjust to an academic environment, and it seems that his ideas on the administration of the School of Business Studies along business enterprise lines had not been viewed favourably by most of the staff.

In his 1975 Annual Report on the Faculty, under the heading of

1. The third, Mr w (Bill) Anderson, a noted trade unionist, expressed disagreement.

"Administration", he reported that -

"An attempt was made during the year to extend the practice of management by objectives throughout the Faculty and establish objectives in administration. Some progress was made, but the Faculty in the main was reluctant to accept individual formal appraisal of performance as a means to ensure recognition of achievement, ...equitable promotions, and salary determination .

Perhaps the concern of staff members, including department heads, was with who would set the objectives and carry out the appraisals, rather than with the sound management principles embodied in the proposals. In the university situation, the heads of departments are responsible to the University Council for their subject areas, and it follows that there has to be considerable freedom at that level. Any control from above has to be exercised with circumspection if the best results are to be achieved. Nevertheless, in the environment of 1988 when accountability is a necessary condition for the allocation of national and institutional resources, the recognition and application of sound management principles within the education system has become very relevant. Professor Rossell's ideas were not acceptable generally in 1975, but the principles behind them were established principles of good management in a business enterprise and not without some relevance at least in the academic environment.

Calibre of student entry

Dr Johnson did not have the added responsibility of a large department, and was able to devote considerable time to the work of the Faculty during a critical period. For many years there had been concern about the calibre of student entry. It had become accepted practice in secondary schools to separate an academic stream from a non-academic stream, and to relate commercial subjects to the latter. With more attractive full-time courses available in the Commerce Faculty at Otago, it was necessary to carry out visits to the local schools and to try to offset the bias that existed in the system and among teachers against Commerce as a university course suitable for academically able students. Dr Johnson had undertaken this task before he became Dean. It is not surprising to read in his 1976 Annual Report that:

"The Commerce Faculty has experienced a sharp increase in the quality of entering students over the past few years. This is of considerable pleasure to a Faculty educating and training students for a sector of the economy which is clearly in need of more bright people, and on which we all depend, whether directly or indirectly, for our wellbeing".

Success in the world of business depends on more than just academic ability, as many Otago students of an earlier era had demonstrated. Nevertheless the biased situation had not been in the national interest. The statistics of first year student entry at Otago (NZ students) speak for themselves:

1970: B Bursary or better 5.6%
 A Bursary 1.6%

By 1976 these figures had improved to 27.1% and 9% respectively, and the improvement continued into 1977 with increases to 33% and 17% respectively. We were then at least up with the Faculty of Arts and Music, though below Science and Medicine/Dentistry.

Community involvement

With more stability in staffing, and a wider range of expertise, it was possible to do much to assist in providing post-experience courses, in direct projects in both public and private sectors, and through personal involvement in various Councils and Boards. "None more so than the Management Department", reported Dr Johnson, referring (for 1977) to six residential short courses, direct assistance to four large firms in staff training, and involvement with the Vocational Training Council, the Otago Regional Development Council, and several Industry Training Boards. All this useful activity helped to establish the standing of the Otago School of Business Studies at national as well as local level.

Female students

Another important trend in the period 1970-7 was the increasing proportion of female students. In 1965 there were only 22 female students in a roll of 378 (= 5.8%). The proportion in 1970 was 5%, but the situation changed quite rapidly thereafter. By 1977 the percentage of female first-year students was close to 25%:

	Total Roll	Women	% Women
Accounting 1	296	73	24.7
Management 1 half-unit	249	61	24.5
Analytical Methods 1	153	42	27.5%
Economics 1B (Commerce)	205	52	25.4%

The trend was to continue, but far less steeply, over the next ten years.

Increasing student numbers

Overall Commerce student numbers increased quite rapidly during these years:

	Internal Students	Full-time	Part-time	Total	% Full-time
1965	95	223	318	29.9	
1970	382	198	580	65.9	
1977	529	184	713	74.2	

The full-time student enrolment included overseas students, mainly from Malaysia. In 1977 they numbered 136. Thereafter their numbers declined significantly, due mainly to factors in their home country. The increase in the number of units taken by Commerce students increased to a greater extent than the increase in overall student numbers, as full-time students took more units each year than part-time students.

In addition there were, in 1977, 145 external students based mainly in Invercargill and assisted on a regular basis through the Southland Community College by means of course outlines, seminars, and in other ways. A high proportion of the successful students came to Dunedin to complete their degree courses as internal students.

In 1977, 76 students graduated B.Com. Virtually all students aimed to

complete a degree. Accountancy majors were encouraged to do so because an appropriate choice of degree subjects could provide a complete cross-credit from a completed degree to the requirements of Accountancy Professional.

Commerce Deans 1914-1988



Prof H. D. Bedford
1914-1918



Mr G. W. Reid
1920-1931



Mr J. M. Paterson
1932-1951



Professor G. C. Billing
1952-1959



Prof T. K. Cowan
1960-1975

PART 10: YEARS OF ACHIEVEMENT

Accommodation

By 1977 the Faculty had outgrown its accommodation in the "Commerce Complex" at the Northern side of the campus, and arrangements had been finalised to relocate all departments and the Advanced Business Programme in the Library building, and the Business Development Centre in a house at 399 Castle Street, opposite the University Union. The space had been occupied by departments which were to be transferred on completion of the new Arts 2 (Hocken) building. The Faculty minute on the subject had been worded very carefully and for the record by the Dean, Dr R.V. Johnson:

"The Faculty is particularly pleased that Council has agreed that the Faculty would not be asked to move from any of this accommodation until a new Commerce building was ready. Pressures from this growing Faculty, and no doubt from the expanding Library, will necessitate a new building for Commerce in about 1985".

The welcome move to bring all departments under the one roof, though with only limited provision for growth, took place late in 1980. The much needed new building has still to be provided, and, by 1987, both the Marketing Department and the Advanced Business Programme had found it necessary to move to "new" premises in the Archway Buildings, accommodation which had been used 50 years earlier to house the School of Mines and the Student Union.

MBA launched

Thanks to the efforts of Mr Ron Moore, supported by Professor Rossell, tentative plans for a Master of Business Administration (MBA) programme were submitted to Faculty in March, 1975 and referred on by Faculty to Senate and through Senate to the Curriculum Committee. So too were proposals for a linked Diploma in Personnel Management. Approval at national level, which required the consent of a majority of representatives of all the universities, was not readily achieved. When finally obtained, it was too late to commence the programme in 1976. A start was made in 1977, with Professor Rossell as Director and Mr Moore as Programme Director. Entry was selective, and 13 students enrolled for the full MBA course and one for the Diploma in Personnel Management course. The Director's report to Faculty in September 1977 must have been rather discouraging:

- 5 students had withdrawn
- 1 student had failed Part 1 of the course
- 1 planned to complete over three years
- 5 were advancing satisfactorily and were enthusiastic about the course.

But Professor Rossell was strongly supportive. As he expressed it:

"The success of this programme is important to New Zealand; it is vital to the future of this Faculty, particularly the non-accounting section. We must do something collectively, something distinctive which the larger centres cannot or are not doing".

He mentioned in particular the contribution of Professor Mueller-Heumann to the course. In fact the course made extra demands on already pressed teachers right



Dr R. V. Johnson
1976-1979



Mr R. Turner
1980-1984



Mr M. T. Fay
1984-1985



Professor L. McLean
1987-

across the Faculty; but, in spite of this, there was general support for the view expressed by Professor Rossell.

Dr David Wright

It was most fortunate that the faculty was able to call on a new staff member, Dr David Wright, to contribute to the programme, using his hands-on experience of a relatively similar programme in South Africa. A decision was made to appoint him "Co-ordinator" of the Advanced Business Programme in October 1977, with Professor Rossell remaining as Director for a three year term. However Professor Rossell advised the Vice-Chancellor in mid-1978 of his intention to resign as Director. Faculty then sought authority for the appointment of a full-time Director of the Advanced Business Programme, and arranged for Dr Wright to be Acting Director. In due course the University agreed to the establishment of a full-time Director, though at a cost of a lectureship in Dr Wright's department; and Dr Wright was appointed Director. It was under his leadership, until his untimely death early in 1983, that the programme became soundly established and earned recognition within New Zealand as a unique and high quality course.

Richard Higham

In 1978, Mr Richard Higham was appointed Director of the Business Development Centre, in place of Professor Rossell, who had resigned from this post. He contributed much in enthusiasm and effort to the work of the Centre, and also to courses for business professionals and to case work in the MBA programme.

Company Report Library

Mr Lyall McLean applied his initiative and considerable organising ability and drive to the development of a Company Report Library and computer-based financial data file. The Reserve Bank of New Zealand gave the necessary financial support for the project. The summarised data for unlisted public companies, produced from this database, have been included by the Bank in its financial statistics on a continuing basis. This was a major achievement, and provides the Faculty with an important resource for reference and research projects.

The task of Dean

The task of Dean, part-time, was a very demanding one during the 1976-9 years. Fortunately Dr Johnson was able and willing to devote a lot of time and effort to the task. Chairing the Board of Studies was at best trying, and staff in the newer departments were pressing for more resources and opportunities to develop. There was a feeling that the Department of Accounting and Finance exercised undue dominance, to the detriment of other Departments impressed with the need for change. The fact was that the courses of the Department of Accounting and Finance attracted large student numbers. In statistical terms (equivalent full-time courses) the teaching load in Accounting and Finance was well above that of the combined load of the other three Departments. The imbalance, real as it was, did lead to some stresses within the Faculty, stresses not helped by the divided accommodation of Departments. In this difficult situation, Dr Johnson had the advantage of being seen as a member of a smaller Department. Further, he could draw on his experience of business schools in the

United States. It was most fortunate for the Faculty that he was available and willing to act as Dean during these years.

Planning for the future

Nowhere is Dr Johnson's contribution more evident than in his production, with aid from departments, of a Faculty statement entitled "Planning for the Future", dated March 1978. The quality and information content of this statement is such that it has been included in this history as Appendix 6. It sets out the strong and weak points, the objectives, hopes and problems, as perceived in 1978 - nine years only before the end of the period covered in this history of the Commerce Faculty at Otago.

A Minute of Appreciation

When Dr Johnson left Otago to take up an appointment at a university in the United States at the end of 1979, Faculty recorded its appreciation of his service as Dean in these terms:

"Faculty records its sincere appreciation of the contribution made by Dr R V Johnson as Dean during the last four years. Dr Johnson has been meticulous in his administration of Faculty affairs, and his thoroughness and fairness in his representation of the Faculty before university committees have gained general respect and, as a result, no small measure of success in years of financial stringency. He has had an open door to students and has worked hard to find acceptable solutions to their problems. His term has seen significant progress and change within the Faculty, including the successful establishment of separate departments of Marketing Management and Quantitative and Computer Studies and of the Advanced Business Programme as well as the acquisition of a mini-computer. The task of Dean of the Commerce Faculty at this university over the last four years has been no sinecure. Faculty is indebted to Dr Johnson for undertaking it and for the significant contribution he has made through it."

Research contributions

The involvement of some members of the Faculty in research, writing and projects of current relevance at the national level is a feature of the 1979 Faculty Annual Report. Here are some extracts:

"Inflation Accounting

Mainly through his writings Professor Cowan has continued to give stimulus to change in the traditional systems of cost, income and profitability measurement. His concern has been with the provision of financial information that is closer to the realities of an environment of changing prices and a changing value dollar. It is of interest that the then radical opinions which he provided in evidence to a Government Commission late in 1974 have now gained substantial recognition in this country..."

Electricity

Mr Alan Stent continues research, in conjunction with the New Zealand

Electricity Division of the Ministry of Energy, of domestic demand for electricity in New Zealand, including estimation of price elasticities and ownership of electrical appliances, which aids the Department in forecasting electricity consumption.

Mr Mohan Lai, under sponsorship of the New Zealand Electricity Division of the Ministry of Energy and the Electrical Supply Authorities Association of New Zealand, continues his research into the structure of costs in the electric power supply industry in New Zealand. The results should make a significant contribution towards sound decision making within the Ministry.

In this context, it is worth mentioning the stimulus that Professor T K Cowan has provided for differential tariffs for electricity in the South Island'.

Finance

Mr Lyall McLean continues his project, sponsored by the Reserve Bank of New Zealand, of providing a computerised financial data base of listed and non-listed public companies. His work had led to new and more useful statistics being published in the Reserve Bank's annual statistics of public companies. The expected spin-off of other research using the data base is starting to occur.

New Zealand Lifestyle

Professor G Mueller-Heumann, jointly with the Heylen Research Centre, has undertaken a major lifestyle segmentation study of New Zealanders. Based on an extensive survey undertaken in March 1979, it focused on relevant opinions and attitudes of New Zealanders regarding social and political problems, and consumption and buying. The data base and results have created public interest, and additionally provide information of commercial use for the project sponsors, which should contribute to better marketing by New Zealand firms.

Freezing Industry

Dr R J Moore, Mr J H K Inkson and Mr A J Geare continued their project of identifying the training needs of freezing works' managers, matching them with training to assist in improving their performance. Six such programmes have now been completed.

Management Training

Dr R J Moore assisted by Mr A J Geare at the request of the Local Government Industry Training Board, has undertaken a study of management training needs of executives in the Dunedin City Corporation, which was then used as a model for the National Conference of senior personnel in the industry. This had led to a National Training Plan, and hopefully a full time appointment in the Management

1. In fact I initiated the idea of having separate electricity bulk supply tariffs for the North and South Islands.

Department.

Motivation and Worker Attitude Studies

Mr J H K Inkson has conducted two further studies, of which the first in particular has produced results of much significance to management, especially of the freezing industry. In the first study, he seeks to establish the meaning of work to male workers in four key occupations: car assemblers, watersiders, freezing workers, and carpenters. Issues studied include job satisfaction, motivation to work, social interaction at the workplace, effects of supervision and management, workers' attitude to industrial relations, and aspirations for the future. The second study is of the New Zealand entrepreneur, particularly of motivation of owner managers of small businesses, and determination of factors differentiating them from non-owner managers, and differentiating the successful from non-successful."

No doubt there was an element of marketing behind this presentation. The battle for resources continued vigorously during these years. But one can sense also a feeling of pride that the Business School enterprise at Otago had progressed so far, despite its very humble beginnings and its critics. Notwithstanding the pressures of rapidly increasing student numbers, and the difficulties of recruiting able staff members, existing institutions were being examined critically, new ideas were being developed, and research work of direct relevance to our New Zealand society was being carried out. There were signs that the Business School at the University of Otago was coming of age.

Information Systems developments

The 1979 Report recorded the arrival of a large mini-computer, a Digital Equipment Corporation PDP 11/34, which was put into immediate and enthusiastic use. More effective teaching of information systems and accounting applications was made possible, and senior students were able to gain first hand experience in the management and operation of a computer of a size typical in New Zealand business enterprises at the time. In 1979 Henry B (Hank) Wolfe B.S. (Am Univ. Wash. D.C.) joined the Computer Studies staff as an additional specialist, and was to make a valuable contribution in the years that followed. Increased student interest is evident from the growth in class numbers in the next few years:

	1979	1980	1981	1982
Information Systems 2, half unit	77	62	79	11
Information Systems 2 (Full unit)			-	59
Information Systems 3 - a new unit introduced in 1979	25	36	41	47
Information Systems 3, half-unit		-	-	13

Information Systems had developed into a major area in its own right.

Marketing Management growth

Vigorous growth took place during these years in the Marketing Management courses, in spite of stringencies in staffing. In 1982 a half-unit at Stage 1 was introduced for the first time, and proved very popular, while a new and topical

half-unit in Export and International Marketing, at Stage 3 level, was added in 1979. Marketing Management 2 was available as a full unit in 1982. Class numbers were:

	1979	1980	1981	1982
Marketing Management 1 half unit	-	-	-	203
Marketing Management 2 half unit	80	103	128	31
Marketing Management 2 (full unit)	-	-	-	49
Marketing Management 3	24	16	27	39
Export and International Marketing half unit	18	19	26	32

In addition, staff were providing tuition at postgraduate level including important contributions to the MBA Programme. That this large increase in workload was carried successfully is an indication of the dedication of Professor Mueller-Heumann and his staff.

Student numbers: Staffing needs

Faculty numbers in the 1979-1982 years increased significantly:

	1979	1982	% Increase
Internal Students:			
Full-time	561	694	23.7
Part-time	220	273	24.1
Total	781	967	23.8
External Students	152	163	7.2
Total Students	933	1130	21.1
Overseas students included	87	37	

In fact this was the beginning of a period of very rapid growth in student numbers. By 1987, student numbers were:

Internal students:	
Full-time	1604
Part-time	420
Total	2024
External students	160
Total students	2184
Overseas students included	88

- a virtual doubling in five years, and an increase of internal full-time students of no less than 131%. These increases added substantially to the task of the Dean as well as of the teaching and secretarial staff members. It was fortunate for the Faculty that Mr R Turner accepted nomination and was elected Dean as from 1 January 1980. He headed the "battle" for increased resources to match the increased workload and attain staff-student ratios that were closer to the average within the University. It was typical of the man that he achieved a great deal, but remained adamant that much more in resources should be applied to Commerce.

Demands on the Dean

The adequate carrying through of the task of Commerce Dean by a member of the teaching staff, always difficult, had become even more so. Before leaving at the end of 1979, Dr Johnson persuaded the Standing Committee of Faculty of the need to conduct a thorough investigation of the problem, including the case for the appointment of a permanent Dean. At this stage the Faculty Board of Studies had been replaced by a set of committees:

Faculty Standing Committee
Undergraduate Standing Committee)
Postgraduate Standing Committee) Later combined
Advanced Business Programme Standing Committee

By 1980, regular meetings of Heads of Departments were being held, on an informal basis. The increased democratisation of the administration and decisionmaking within the Faculty had good points, but added significantly to the work of the Dean in leadership and co-ordination. There is no evidence of a formal investigation into the problem of the Commerce Deanship, once Bob Turner was in the chair. He must have worked very long hours in order to cope with the demands of the job; but showed no keenness for the possible appointment of an Administrative Assistant, considering that most of the work to be done was "ill-suited to a non-member of the academic staff". He preferred the establishment of an additional assistant lectureship in the Dean's department, as happened in the Faculties of Arts and Science. Unfortunately the staffing problem in his department was not helped by the move of Kerr Inkson to the University of Auckland in mid-1980, and the resignation at the end of the year of Professor Rossell.

Regulation Changes

Important changes in course regulations took place late in 1981. The requirements of the B.Com degree course were reduced from nine to eight units. New regulations were introduced for a four-year B.Com Honours degree, and the first admissions to the Honours programme took place in 1982. Support was quite significant:

Admissions approved for	1982	1983	1984
Accounting and Finance	14	20	33
Economics	3	17	7
Information Systems	1	5	9
Marketing Management	4	5	13
Management		3	6

This development added considerably to the depth of the teaching programme, and, inevitably, to the teaching workload.

Retirement: Looking back

I reached retiring age at the end of 1981, and could look back with no small satisfaction at what had been achieved at Otago since my accepting the first full-time teaching post (apart from Economics) in 1960. With a great deal of help from others within and outside the Faculty, a modest out-of-hours accountancy teaching operation linked rather sketchily to the University had become a very

large Faculty providing a wide range of business-related courses through four departments, plus Economics, and its Advanced Business Programme. A fruitful interaction had been developed with the real world of business and administration. From the first and certainly inadequate course of lectures in Management had developed a strong department providing coverage at considerable depth of this very important field. My makeshift carrying of the first course in Marketing Management until the first specialist lecturer arrived had heralded the beginning of an exciting development, now with its own department and professor, making a major national contribution as the country moved from a production-orientated economy to a market-led economy. A tentative coverage of computer-based accounting systems in the Accounting course had developed into a major and very relevant subject area, and was soon to get its own professor. The first attempts at providing a Postgraduate Diploma in Business had led to a highly successful MBA Programme. The years of worrying insecurity over staffing, of constantly accepting risks in order to widen the range of our offerings, were largely over. In many ways the Faculty had a lot of maturing to do, but a foundation had been laid.

Unfinished business

My sense of satisfaction was dimmed to some extent by disappointment over what had happened to the degree structure as it affected accounting majors. A strong objective in the development within Commerce had been to provide a broader degree, particularly for accountancy majors. The eight unit degree just introduced had restricted severely the scope for accountancy majors to achieve this breadth as part of their degree courses. An attempt to introduce an alternative four-year degree programme at undergraduate level, with a different description, had not progressed by the time of my retirement, and this was something of a disappointment. But "every dog has its day"! I had had mine, and it had been generally exciting and satisfying.

PART 11: TOWARDS THE FACULTY OF 1988

Accounting and Finance

One of our own staff, Lyall McLean, who had just completed his PhD, was appointed to take my place as Professor and Head of the Department of Accounting and Finance. He had a keen interest in Finance, and moved quickly to introduce a new half-unit in Business Finance at Stage 3 and a Finance specialism to add to the options in the MBA programme.

Staffing in the Department of Accounting and Finance was strengthened by the appointment to a second Chair of Dr K J Moores in 1984. In 1987 a third Chair was filled by a specialist in Finance, Professor Cleveland S Patterson M.A. (Cantab) MBA Ph.D (Monty). The University Calendar for 1988 shows a departmental full-time staff of:

Professors	3
Associate Professors	2
Senior Lecturers	7
Lecturers	3
Assistant Lecturers	2
Programmers	2
	19

The bias reflects the continuing difficulty of recruitment, a significant contributor over the years to chronically adverse staff/student ratios. In addition, the courses in Business Law 2 and Professional Accountancy Studies 3 were staffed by part-time professionals, most of whom had given many years of service to the Department and University. With large increases in student intake into Commerce, and the expectation of attractive career opportunities in accounting, the Department had become the largest in the University.

This is evident from the student enrolment in 1988 courses:

	Roll
Accounting 1	497
Accounting 2	315
Accounting 3	162
Business Law 2	300
Professional Accountancy Studies 3	168
Public Sector Accounting 2 half unit (a recent new development)	39
Business Finance 3 half-unit	1
B.Com Honours: Part 2	21
Part 3	7
Part 4	9
Diploma in Commerce	3
M.Com: Papers	1
MBA: student course units	76

The enrolment in Accounting 1 in 1987 had been 593, and 522 in 1986. Entry



Commerce Faculty Rugby Team, 1956

Back Row: B. H. James, J. B. McKinlay, R. W. M. Greenslade, N. R. Kearney, M. J. McClatchy.

Middle Row: G. B. Gosney, W. R. Jackson, G. M. Aim, B. J. Ball, K. W. Tyrrell, K. B. Waller, H. R. Ockwell.

Front Row: W. H. Dawson, K. J. Fahey, E. M. Hill, L. J. Stewart (Captain), I. A. Mitchell (Vice-Captain), D. Y. Brown, W. J. Tomkins.

into the Commerce courses was restricted in 1988, causing the drop in Accounting 1 class numbers. Details of the 1988 degree courses are provided in Appendix 7.

Professional courses

Since 1983 staff of the Department of Accounting and Finance have become involved in the Education programmes of both the New Zealand Society of Investment Analysts and the New Zealand Stock Exchange.

In 1982 as a result of discussions between Professor McLean and the Executive of the New Zealand Society of Investment Analysts an agreement was reached to provide and administer the society's educational programme from Otago.

During 1986 The New Zealand Stock Exchange decided to institute an education programme and agreed that the group from the University of Otago should develop and present that programme throughout New Zealand beginning in 1987.

The Council of the Exchange in 1987 also decided that successful completion of the education programme would become a prerequisite for membership after 1988.

These are exciting developments, with Otago leading the way in this Finance area.

Mr J M Freeman

1985 saw the retirement of the Faculty's longest serving member, Mr John M (Jack) Freeman. Joining the staff in 1962 as a Senior Lecturer in Accounting, he had given sterling service to the University through the many students who had passed through his classes during the years as well as in a variety of administrative tasks. His had been a sheet-anchor role.

Restricted Entry

Entry into Commerce courses had been restricted at Auckland, Victoria and Canterbury, and one effect was to create greater student interest in the Otago programme. There were comments that Otago would attract an undue proportion of students of relatively low academic ability; but the facts did not bear this out. The percentage with A and B bursaries had increased steadily, from 18% in 1975 to 47% in 1983. There was opposition within the Faculty and University to restricting entry into Commerce, on the grounds that it was neither in the local nor in the national interest and could lead to a kind of social elitism. However the extraordinarily rapid growth in student numbers after 1982', combined with the

	1982	1983	1984	1985	1986	1987	%
1. Commerce students							113
Internal students:							13
Full-time	694	874	990	1103	1277	1604	
Part-time	273	316	297	354	437	420	
Total	967	1190	1287	1457	1714	2024	1 p

problem of securing able staff, made action to restrict entry unavoidable. Restrictions on entry to first-year courses were applied in 1988.

The Deanship

Mr Turner found it necessary to resign as Dean early in 1984, and Mr M T Fay was elected in his place. He found the task very demanding. In completing his last Annual Report at the end of 1986 with an expression of appreciation to "...all those staff of the Faculty and the University who have assisted, guided and supported (him) through three years of growth and change", he described the experience as "...a challenge that I am pleased I accepted but one that I would not care to repeat".

Large Classes

That report had some rueful comment to make on the problems of teaching large numbers of students:

.. we are now teaching three streams for most of the Stage 1 units. The process of seeking to maintain enthusiasm and the interest of 600 students over three hours is one that all believers in economies of scale should experience."

Quantitative and Computer Studies

The large student numbers had led to serious inadequacies in the availability of computer hardware for staff and student use, but, in time, the situation was improved to a point where it was at least tolerable. Staffing the teaching programme in Computer Studies had been difficult, but a new era began with the appointment of Professor Philip J Sallis B.A. (Well) PhD (Lond) in 1987 to head the Department of Quantitative and Computer Studies. Dr Ivan Jackson, who had chaired the Department ably during a period of rapid development, moved to take up a new Chair at the Victoria University of Wellington, where his knowledge and experience in the application of computer systems in the public sector could be used to better advantage. In 1988 the Calendar lists departmental staff as:

Professor	1
Senior Lecturers	2
Lecturers	2
Assistant Lecturer	1
Programmer	1
	7

The schedule of courses and rolls for 1988 provides ample evidence of the development of the Department of Quantitative and Computer Studies:

...Continued...

External students	163	198	219	218	192	160
Total Students	1130	1388	1506	1675	1906	2184
Overseas students incl.	37	44	42	54	73	88
Women students	350	503	554	619	735	772
% women	31.0	36.2	36.8	37.0	38.6	35.3

	Roll
Stage 1 taken as a full unit	391
Half-units taken at Stage 1	375
Stage 2 taken as a full-unit	123
Half-unit at Stage 2	8
Information Systems 3	41
Half-unit at Stage 3	25
B.Com Honours: Part 1	
Part 2	3
Part 3	2
Part 4	3
M.Com: Papers	1
MBA: Student course units	51

Except at Honours and Master's levels, these are large numbers by university standards. Course prescriptions as set out in the 1988 Calendar are shown in Appendix 7.

Marketing Management

Under the leadership of Professor Mueller-Heumann, the Marketing Management Department had made quite remarkable progress. There was now general acceptance within and outside the University of the relevance of studies in Marketing Management as part of university Commerce programmes. The popularity of the courses is evident from the 1988 course enrolments:

	Roll
Stage 1 taken as a full unit	419
Half-unit taken as Stage 1	288
Stage 2 taken as a full-unit	175
Half-unit taken at Stage 2	40
Stage 3 taken as a full unit	77
Half-unit taken at Stage 3	45
B.Com Honours: Part 1	
Part 2	28
Part 3	11
Part 4	10
M.Com: Papers	1
MBA: Student course units	25

In addition, a significant contribution was made to the course in Management 1. The Department had become one of the largest in the University, and attracted students from other faculties as well as Commerce students.

There was an international emphasis in the staffing of the Department of Marketing Management in 1988 which had the potential to add to the quality and relevance to New Zealand of the courses. Staff members had come from West Germany, Great Britain, and the United States of America. Only two were New Zealanders by birth. Professor Mueller-Heumann, a New Zealander by choice and inclination, had come from West Germany. Staff listed in the 1988 University of Otago Calendar comprised:

Professor	1
Senior Lecturers	5
Lecturers	3

Scientific Officer	$\frac{1}{10}$
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A second Chair had been established, but no appointment had been made as yet.

Management Department

The Department of Management had suffered a serious loss in the death in 1986 of Professor Ron J Moore, who had made a major contribution towards the review and consolidation of course programmes at all levels. A further sad loss was to occur with the death "in action" early in 1988 of Mr Robert (Bob) Turner, who had given sterling service as teacher, researcher, and Dean of the Faculty. Dr Alan J Geare, who had been on the staff since 1972, was appointed to the Chair, with the responsibility for a wide range of courses, with rolls in 1988 of:

	Roll
Management 1, full unit	319
Management 2, full unit	84
Management 2, half unit	63
Management 3, full unit	37
Management 3, half unit	8
Commercial Skills 2, half unit (a new development)	95
Diploma in Commerce	3
MBA: Student course units	170

The substantial input into the MBA programme will be noted. The staff establishment shown in the 1988 Calendar reflects this fact and also the difficulties of recruitment. There were eight Senior Lecturers, no Lecturers, and one Assistant Lecturer.

Economics Department

The Department of Economics continued over the years with a primary allegiance to the Faculty of Arts and Music. Successive professors of Economics have shown an active interest in the affairs of the Faculty of Commerce, but the relationship of sub-professorial staff with the Faculty might be described fairly as helpful when asked but generally aloof. With current moves to reorganise the University faculty structure, this may well be the time to achieve a closer relationship, to the benefit of the Department of Economics as well as the School of Business. Perhaps there were elements of inferiority complex - and its converse - in the failure in past years to pursue with real commitment the very desirable objective of closer integration. Professor Billing had raised the idea of a Faculty of Economics and Commerce. Faculty had rejected it, mainly because of a fear that Economics, with substantial full-time staffing, would dominate what was then a fledgling development in business-related studies and an established professionally oriented programme of accountancy studies. These concerns are no longer relevant. With the development of a range of business studies, the potential for synergy has been greatly expanded. Commerce students provide a large proportion of the classes in Economics. Here are the class numbers for 1987:

Economics Classes: 1987

	Commerce	Other	Total	% Commerce
Economics 1	626	230	856	73.1
Economics 2	170	52	222	76.6
Economics 3	44	12	56	78.6
Postgraduate Diploma	2	1	3	66.7
Economics Honours:				
Part 1	9	5	14	64.3
Part 2	7	3	10	70.0
Part 3	3	4	7	42.9
Masters	0	1	1	

Surely this is a matter which the current set of university decisionmakers should consider very carefully, with due regard not merely to present-day realities but more for the longer term potential benefits that closer integration would achieve.

Extramural Programme

The Extramural Commerce Programme in 1988 involved Commerce staff in the provision of special tuition for Southland students through the University Extension Studies Centre in Invercargill, and with the collaboration of the Southland Community College, in Accounting 1 and 2, Economics 1, Management 1 half-unit, Quantitative and Computer Studies 1 and Business Law 2. The typical course for these students was to take the advanced units of the degree course in Dunedin as full-time or part-time internal students.

Advanced Business Programme

The "jewel in the crown" in the Commerce Faculty of 1988 was the Master of Business Administration course, provided through the Advanced Business Programme. It had been the objective from the outset to provide an MBA course at Otago that would gain prestige because of its high quality standards and its emphasis on group participation. There were about 400 enquiries about possible admission to the course in 1988, but, after a rigorous selection process, only 28 (set as a maximum number) were admitted. Nearly all had had significant work experience of a relevant kind, to supplement their academic qualifications. The average age of entrants was 34. The Director of the Advanced Business Programme was Graham R. Elkin B.A (CNA) M.Sc. (City). A large number of senior staff members from all departments of the Faculty contributed to the teaching programme, and benefited from the stimulus of interaction with such a lively group. Needless to say, there was a large excess of demand over supply for those who graduated with an Otago MBA.

In 1988 a major move was made towards providing concentrated short courses for senior managers. There were confident expectations that the NZ Senior Management Programme, organised by Mr Elkin as part of the Faculty's Advanced Business Programme, would be launched successfully in 1988/9. The course for Senior Management is to consist of four modules, each requiring a week of intensive interaction in a high-calibre group situation, and scheduled for two weeks in September 1988 and two weeks in February 1989. As with the MBA, entry is to be selective, and there are to be no more than 24 participants.

The course is designed to develop the "...key corporate and personal skills" of "...already successful managers with several levels of management below them who have, or are about to have, whole enterprise responsibility." An unusual requirement is participation in an "Executive Challenge" outdoor programme in the Berwick Forest, where the ability to perform effectively in a quite different environment will be tested. This building on to the Otago MBA experience and reputation could add further prestige to our Otago Business School.

Business Development Centre

The Business Development Centre continued to operate in 1988, but as an activity independent of the Commerce Faculty. Dr Ruth M Houghton was the Director, controlling the work of a staff of four Consultants undertaking projects for private firms, institutions, groups, and local government.

The Dean's office

Professor Lyall McLean had accepted office as Dean of the Faculty for the 1987-9 period. The Dean's office was now staffed by an Administrative Assistant (since 1987) and a Secretary. Hopefully this backing should make the demands on a part-time Commerce Dean considerably less onerous.

Extraordinary growth

There had been some loss of confidence in the job prospects of graduates in Arts and Science during the decade of the eighties. By way of contrast, there had been a high demand for graduates in Commerce. Recently matured subject areas like Computer Systems and Marketing had a strong appeal of their own. A more progressive attitude to business studies had been developing in the schools. Restrictions on entry to Commerce programmes at most Northern universities had led to some abnormality in the student flow to Otago from the North. The results of all these factors were striking increases in the proportion of Otago students taking Commerce. Here are some comparisons:

	1979	1983	1987
	Comm. Total % Univ. Com.	Com. Total % Univ. Com.	Corn. Total % Univ. Corn.
Internal Students:			
Full-time	561 5307 10.6	874 5438 16.1	1604 6445 24.9
Part-time	220 1589 13.8	316 1649 19.2	420 1902 22.1
Total	781 6896 11.3	11907087 16.8	2024 8347 24.2
External students	152 320 47.5	198 411 48.2	160 312 51.3
Total	933 7216 12.9	13887498 18.5	21848659 25.2

The percentage of Commerce students in the total student roll of the University of Otago had more than doubled during the eight years to 1987. It would be unrealistic to expect a continuation of this trend. More likely would be a stabilising at around the present or a slightly lower level of both absolute student numbers and the percentage of Commerce students. The table indicates also the success of the Faculty's work through University Extension to assist Southland students.

Female students: Total students

It is of interest to trace trends in the number and proportion of female students, as shown in the following data:

	1979	1983	1987	% increase on 1979
Commerce students:				
Total	933	1388	2184	134.1
Women	243	503	772	217.7
% Women	26.0	36.2	35.3	
University of Otago students:				
Total	7216	7498	8659	20.0
Women	3151	3518	4376	38.9
% Women	43.7	46.9	50.5	

In 1972, the proportion of female students in the Commerce Faculty was just below 10%, at only 76! There were ten times as many in 1987.

Another important statistic shown in the table of total student numbers is that, of the increase in student numbers at the University of 1,443 in the eight years to 1987, no less than 1251 were Commerce students. The venture into accounting in 1912, given new impetus and wider objectives in the years after 1960, had become a very significant part of the University of Otago.

PART 12: Rh PROSPECT AND PROSPECT

In retrospect

Education is for the future. Planning an educational programme involves judgement, and therefore risk. Change has to be anticipated, and the distributors of educational resources have to be persuaded to support developments aimed at meeting the future needs of our society. This "thin end of the wedge" route was a difficult one to follow, and at times we teetered on the brink of disaster. That we came through to the present is due to the contributions of a great many people.

In the Commerce development, progress would have been much slower if we had postponed action until those responsible for resource allocation in a conservative university had been persuaded of the need to provide resources for new courses. The better policy for us was to make a beginning in spite of small resources and high risk levels, and to create a situation where student support for courses made the allocation of resources virtually unavoidable. At the same time the quality and recognised relevance of the new developments would support the case on academic grounds. In the early years one can recall the remarkable efforts of Mr G W Reid and Mr J M Paterson. Professor Billing's appointment as Dean was an important turning point in Faculty development. After 1960 there was an interweaving of the contributions of many teachers. And one should not overlook the work of stalwarts like Scott Gilkison, Horace Tilly, Jim Valentine and John Hamel as part-time teachers. I recall the pioneering work of the unique Adolf Diegel, and the more recent contributions of the late Ron Moore, David Wright and Bob Turner. Many participated in laying the foundations of the Commerce Faculty (School of Business Studies) as it exists in 1988. And one should not overlook the contributions of a large number of Faculty and departmental secretaries, typified by our first secretary Glenis Hammond (now Mrs O'Leary) who gave great service during the early exciting years of development.

Towards the future

So end 76 years of life for the Faculty of Commerce at Otago. A new generation of decisionmakers can plot the paths to be followed in the future, as the University seeks to use its resources to the best advantage of its students and of an evolving New Zealand economy and society. In wishing these decisionmakers well, perhaps I may be permitted to express three hopes of mine:

1. I hope that real urgency will be given to the provision of a Commerce building designed to house all staff members under one roof with a shared common room. With interrelated and to some extent overlapping subject areas, it is highly desirable to encourage interdepartmental relationships and research, and to avoid physical factors which detract from this and reduce the benefits of synergy.
2. I hope that there will be general recognition of the mutual advantages to be obtained through a much closer association of staff in the School of Business Studies with staff in the Department of Economics. Professor G C Billing, when Dean, raised for discussion the possibility of a combined Faculty of Economics and Commerce some thirty years ago, but the idea was not taken up at the time. There was some fear of dominance by Economics, as indeed happened in some universities overseas. During my terms as Dean, I stressed on many occasions the importance of at

least housing Commerce and Economics departments under one roof, in order to facilitate staff interaction. With my own background in Economic studies, I am convinced that tendencies within New Zealand universities for Economics departments to distance themselves from Commerce departments have been contrary to the national interest. Is there now a real opportunity for Otago to lead the way towards a closer association, and to demonstrate the advantages of synergy which this association could produce? At the very least, should not Commerce and Economics share the facilities of a common building? And what else can be done to bridge a gap that seems to disregard the common ground and interdependence of economic and business studies?

3. I hope that early consideration might be given to the possibility of a new qualification which is designed to add breadth rather than depth to the B.Com degree - particularly for the benefit of Accountancy majors. The post-1960 developments in the Faculty had this breadth as an important objective. The practicality of achieving it was reduced drastically when the decision was made to reduce the degree from nine to eight units.

Those who have had the patience and forbearance to study this history of the Faculty may be disposed to agree that there is evidence that these hopes of mine deserve serious consideration, and, hopefully, ultimate realisation.

We cannot change the past. The most that we can hope for is that there is the perception, the humility, and the will to learn from it.

References:

Books etc.:

Thompson, G.E.: History of the Otago University (1869-1919): 1920

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Appendix 1

University of Otago
Faculty of Commerce
DUNEDIN

17th July, 1959.

The Vice-Chancellor
University of Otago

Dear Dr Soper,

The following are revised submissions by the Faculty of Commerce in relation to the Universities Commission of Inquiry:-

1. Student Numbers

In this year 212 internal students are enrolled in the Faculty. Most of them are part-time students, but there is an increasing tendency for those who are candidates for the B.Com degree to spend one or two years as full-time students before entering business. The Faculty looks forward to the day when an increasing number of full-time students will justify the holding of day-time classes in Accountancy subjects. This would even now be possible if employers would allow students to attend during the day as is done for classes in Economics and Statistics, and if buildings were available to accommodate such classes.

2. Entrance Qualifications

Many students enter the University from the lower sixth form. A certain number have not taken Mathematics beyond School Certificate level. Again, there are others, whose number appears to be increasing, who enter with Provisional Admission having done little Post-Primary work. Deficiencies in Mathematics cause considerable difficulties in Statistics and in Economics, which is compulsory in the Degree to two stages. The teaching of Elementary Statistics to a class of widely differing levels of attainment is a most formidable and difficult task. Some students fail repeatedly.

It is more important for a student who is going to study Accountancy at the University to come to it adequately prepared in basic knowledge than to have studied book-keeping at school. The Faculty has previously recommended that Book-keeping should not be a subject for entrance to the University and strongly supports the case for a five subject Entrance, including English and Mathematics, as a requirement for candidates entering the course for the Degree of B.Com and for the Professional Examinations in Accountancy.

3. Department of Accountancy

Steps are now being taken to establish a Department of Accountancy at Otago University in 1960. Departments of Accountancy have been in existence in the northern universities for several years, so that this development at Otago is overdue.

The Faculty hopes that the establishment of this department will lead within the University to a greater co-ordination of teaching in Commerce classes, to the making of much-needed contributions to meet the lack of accountancy text books, to the carrying on of research in the accountancy field, and towards the development of advanced courses in accountancy subjects. The Faculty hopes that finance may be provided to enable this department to hold open lectures and seminars, including short courses of particular interest to members of the accountancy profession. A further contact with the business community is planned through the availability for consultative services of the departmental head to be appointed.

4. Course of Study: and Teaching Developments

The Faculty is planning to revise the B.Com degree course to provide for specialisation in Economics, Accountancy and Management. In this way, it is hoped to make the degree more suited to the varying needs of students taking the course.

As a step towards this end, a new subject, "Business Organisation and Management", has been included in the course of study for the B.Com degree. The Professorial Board has approved in principle the institution of a Diploma in Business Administration of the University of Otago, with this as a major subject. Subject to the approval of the Council and the availability of finance, a teacher of Senior Lecturer status will need to be appointed to take charge of the new subject and to direct the practical investigations into business problems which will form part of the Diploma course. It is confidently hoped that contributions may be made by business firms to assist in the establishment of this lectureship for an experimental period, after which it should be possible to finance this teaching in the usual way from the Block Grant.

The Faculty hopes that it will be possible to secure the services as senior lecturer in this subject of a man of wide practical experience in management as well as of high academic standing; and that he will be able to assist the business community by giving guidance and help to the Institute of Management in its educational programme, and by the availability of his (limited) services as a management consultant.

The Faculty anticipates a close liaison between the head of the Department of Accountancy and the senior lecturer in Business Organisation and Management, which could lead to interesting developments both within the university and in its contact with the business community. A similar liaison with the Economics Department could provide a useful basis for investigations into local economic and business problems.

With the application of electronics to accounting likely to become a major factor in the future, the participation of the department of accountancy in teaching and research in this field will be desirable.

5. The Diploma in Business Administration of the University of Otago

The Faculty has devoted much time to the consideration of this diploma course, which is to be open to approved graduates and also to approved persons over the age of 21 years who have had some administrative experience. The course is to consist of Accounting, Economics and Commercial Law (all to be

specially planned two-paper subjects designed to meet the needs of management education), Elementary Statistics for Commerce (as for B.Com, one paper), Business Organisation and Management (three papers), and an essay in the form of a report on some problem of trade or industry, preferably in the Otago District. The institution of this Diploma course is dependent on the approval of the University Council, and the appointment of a suitable lecturer in Business Organisation and Management.

The Faculty has reason to believe that this Diploma course would receive good support and would provide a useful educational contribution by the University to the business community.

6. The Establishment of a Chair in Accounting

The Faculty considers that it is very desirable that a Chair in Accounting be established at the University of Otago. This step would facilitate post-graduate teaching and research in the field of Accounting; and would be in line with developments in Universities overseas. Considerable progress has been made in northern Universities towards the establishment of Chairs in Accounting.

7. Accommodation

In spite of the fact that there are 212 Commerce students at the University, there is no lecture room in the University which is identified with the Faculty of Commerce and with the special needs of both formal and tutorial classes in Accounting. It is desirable that the present building programme should make provision for such a room, including projection equipment.

At present, Commerce classes are mostly held before 9am and after 6pm, but three classes are now held between 5pm and 6pm, and with an anticipated increase in full-time students it is likely that the Faculty will wish to hold day-time classes in a future not very far ahead. The present accommodation problem makes any move towards day-time classes almost out of the question.

At present there is one staff study to serve the needs of seven part-time lecturers in the Faculty, and two tutors. The establishment of a Department of Accountancy and the projected appointments of a senior lecturer as its head and of a senior lecturer in Business Organisation and Management will call for two additional studies. Providing these in the present overcrowded accommodation may be very difficult, but it is essential that in the building programme now under consideration, adequate provision be made for these studies and for the potential development within the Faculty through these appointments and the anticipated increase in student numbers. In the long run, the attainment of a Commerce building, possibly allied with a School of Business, would be a worth-while goal.

In the meantime, the Faculty notes that the size of lecture rooms planned for the new "Library and Arts Building" seems adequate for the student numbers projected to 1970. The Faculty emphasises that, in any building programme, rooms which are to be used for classes in Accounting should be equipped with a substantial blackboard area, all visible at once. The present room F is moderately well equipped in this respect. It would be an advantage if rooms could provide for the display of material.

The Faculty suggests that the projected building to follow the "Library and Arts Building" be known for planning purposes as the "Arts and Commerce

Building". This would be a recognition of the fact that Commerce students will make up a considerable proportion of the students using this overdue new accommodation (at present 212 Commerce and 490 Arts). This recognition of the Commerce Faculty as an integral part of the University could assist in developing good relationships between the business community and the university.

8. Library Allocation

There is no grant of funds for the purchase of text books in accountancy subjects. With the forthcoming establishment of an accountancy department, it is essential that an adequate allocation be made as soon as possible to build up an Accountancy section in the Library, and that a capital sum plus annual allocation be made to establish a departmental library.

Yours faithfully

G C Billing
Dean

Appendix 2

"Accountancy Education at the Crossroads:
The Parting of the Ways?"

T K Cowan, M.Com, A.P.A.N.Z.,
Head of the Department of Accountancy
University of Otago, Dunedin.

Purpose

This statement has been prepared following a conference on accountancy education held at Wellington on 7th October, 1960, in order to clarify my own thinking on the problems, choices and opportunities which face the profession in the educational field. We accountants stress the value of policy-making and pre-planning in connection with businesses. Our Society's "Long Term Education" Committee was charged in March, 1957 with the task of enquiring into and reporting on "all aspects of accountancy education in New Zealand". It may be asked whether the report of this committee, published early in 1960, provides a sufficiently clear policy statement, and an adequate plan to achieve that policy. On the strength of a great deal of evidence, obtained by questionnaire and in other ways, it seems to have come to the conclusion that only very minor amendments to the status quo were needed. There are those who doubt whether this is a sound conclusion.

The way we have come

One Society:

In New Zealand we have a unique situation where the one body, the New Zealand Society of Accountants, controls practically the whole accountancy profession in all its fields. Its membership includes registered accountants in industry, the public service, and in local bodies, as well as public accountants. The same professional qualification has applied to public accountants and to registered accountants. A registered accountant may transfer to public accountancy status without any additional examination.

Part-time study:

The normal educational pattern has been one of after-hours study. In the main centres, the Universities, and, in most cases, the Technical Colleges, have provided evening classes for accountancy students. In smaller centres, students have depended on evening classes at Technical Colleges and High Schools, and on correspondence school tuition. The major aim of students has been to pass the examinations, and "cramming" methods have been the rule rather than the exception.

National examinations:

Until 1956, all examining was conducted on a national basis, by arrangement with the University of New Zealand, the examinations serving both for the Accountancy Professional examination and for the B.Com degree course. Since 1956, internal examining, with a professional member as assessor, has been

adopted at the four main Universities in the subjects Accounting 1 and 2, and Commercial Law 1 and 2, with the Society allowing a cross-credit to the professional course. From 1960, the assessing stipulation is being removed.

Emphasis on the practical:

It is probably true to say that until recent years the main emphasis in examining has been to test proficiency in practical accounting and auditing, and to test memory in the law subjects. In more recent years, the aim has been rather to test for an understanding of the principles underlying accounting and auditing procedures, of accounting theory, and of the applications of commercial law.

High failure rates:

Pass rates have been low, particularly in Accounting 3 and Auditing, where a 30% pass is quite usual. Relatively few accountancy students have completed a B.Com degree. The standard of attainment and general educational level of the majority of accountancy students at qualification has not been very high. Can anything else be expected as an end product when the average student has to work under such cramping conditions? In the circumstances, the achievements of many students have been remarkably good.

A common way:

The way we have come has been a very cheap way; it has provided a mixing of study with a measure of practical experience in accounting and business; and on the whole it has been a common way followed by all entrants to the profession, whether they have been linked with a University or not. This common road may have been fairly adequate for the horse and cart era of the book-keeper. Is it adequate for the age of speed and change in which we will have to live in the future? The main reason for questioning the general conclusions of the Long Term Education Committee's report is the changed environment in which the students of today live and will have to work.

Changes in the Environment.

Expanding Economy:

We have a rapidly growing population. Between 1960 and 1970, the population of New Zealand is expected to increase approximately 20%. A more effective use of land, particularly marginal land, will provide employment for part of this increased population, but most will have to find a place in manufacturing and service industries and in the professions. Our pastoral industry in New Zealand has reached a high peak of efficiency through the research and enterprise of scientist and fanner. Our accountancy profession has an important part to play in assisting manufacturing and service industries to similar efficiency, so that the growing population may find profitable employment, and our high standard of living be maintained.

Expanding functions of accountants:

The function of the accountant in an industrial enterprise has become much more vital. Relieved of much routine accounting work by semi-automatic machinery, he is able to do a great deal to assist management in the control of the undertaking.

In the sphere of the public accountant, taxation has become heavier and much more complex. The technique of auditing in depth has reduced the need for the office junior "ticker", and has called for a higher standard of knowledge and ability. Management accounting has opened a new and important sphere of activity for public accountants.

Devolution in Universities:

The process of devolution in the Universities will give to the individual Universities in 1961 the power to grant their own degrees, and generally to organise their courses as they think fit. The needs of the profession in higher education have been recognised by the provision of more full-time staff in the Accountancy Departments, and approval has been obtained by three Universities to the creation of Chairs in Accountancy. The high level of prosperity, the availability of very remunerative seasonal work, and the anticipated improvement in bursaries (as recommended in the Parry Report) will make it much easier for students to have at least some full-time study at the Universities. Teaching courses in Accountancy subjects are being extended and developed more fully. Advanced teaching is becoming available to students and graduates. The status of accountancy as a University discipline is being raised. As against this, the problem of rapidly increasing student numbers has to be coped with.

The "University" point of view.

Main function:

As I see it, the Accountancy Departments at the Universities regard as their main function the adequate teaching of students seeking to obtain a B.Com degree. They cannot provide this adequate teaching without day lectures and seminars. It is conceded that it might be possible for a student attending out-of-hours lectures or studying extra-murally to obtain a pass in B.Com subjects provided that the number of subjects taken in any one year was limited to (say) two. The Universities have provided out-of-hours teaching in Accountancy subjects for many years. To what extent have they an obligation to continue this? The provision of alternative lectures in the evening may tend to turn students away from the day lectures, and will place a heavy strain on the teaching resources of the accountancy departments. One possible alternative to duplication of teaching is to seek a limited release of students, say for two half-days each week, and to concentrate the lectures in key Accountancy subjects into those periods.

Full-time study:

The Accountancy Departments would favour at least one full-time year. Opinion is divided on which year is best taken full-time. A full-time first year would tend to inculcate in students at the beginning of their course good habits of study, and would help them to see their own sphere of study in a wider perspective. A full-time student in his first year could make a good start with his B.Com degree. A student's employment would not be interrupted. The argument against a full-time first year is that from the University's point of view, it could be "casting pearls before swine". Classes of over 300 in Stage 1 Accounting at Victoria University will include about 100 who will not continue seriously with the course. Tutorial and seminar activities at Stage 3 would be easier to organise and more appreciated by those sharing in them. The Accountancy Department

Heads would like to see a core of the better students doing at least three years of full-time study.

Own courses and examinations:

Now that the Universities are being given freedom to plan their own courses, the Heads of the Accountancy Departments would wish to have their Universities adopt courses in accountancy subjects which they have planned, and to examine them at all stages. To avoid or minimise student hardship, they would like cross-credits in Accounting 3 and Auditing (if taught as part of the B.Com degree) to the Accountancy Professional examination, but realise that entrance to the New Zealand Society of Accountants is a matter for that Society to decide.

Limited intake:

The University of Auckland is introducing an intermediate stage in its B.Com degree aimed at limiting advanced teaching to genuine B.Com students who have the ability and time to appreciate it.

Part-time study:

A major problem for the Universities is to decide whether and for how long they must provide alternative out-of-hours lectures for accountancy students. It has surely been made clear that so far as the Universities are concerned, the pattern of the past should not be carried forward into the future. Even trade apprentices are released to attend day-time classes. The Parry Report envisaged the splitting of the main stream of accountancy students into two groups - the full-time "genuine" students who would attend day lectures, and the part-time diploma students who would attend out-of-hours classes arranged by the University as part of its "extension" work. This recommendation was linked with the extension to bursaries. The writer's opinion is that the Parry Report was inclined to be too harsh on part-time students. Probably a minority opinion in University circles is that the main stream of entrants to the accountancy profession is something to be welcomed and directed along sound lines by the University rather than tolerated as an unpleasant and (let us hope) temporary duty. This minority view would visualise a compromise solution whereby on the University's side full-time study is encouraged, but not made compulsory, and where on the students' and employers' part, some day releases are necessary (in particular, say two half-days attendance at the University to study their major subject).

The Society's point of view.

Some of the factors to which the New Zealand Society of Accountants must have regard in considering accountancy education are the following:

1. There is a rapidly growing demand for qualified accountants to meet the needs of a growing country with an increasing level of industrialisation.
2. In a Society which includes in its membership both registered and public accountants, with large groups in the country districts and in the public service, every effort must be made to "keep the peace". It is politically sound to avoid distinctions within the Society, and to keep changes to a minimum since changes always raise arguments.

3. The association of the Society with the University in its teaching and examining work has added to the prestige of the Society, as well as relieving the Society to a large extent of some problems of conducting examinations for its own course.
4. The day release of students for lectures could be expensive to employers. Public accountants are probably the core of the Society's membership, and they would be affected in their own incomes by day releases unless they took steps to compensate for this.
5. Country practitioners have very real staff problems, which would be accentuated if more country students came to the University centres to further their studies.
6. The failure rates in the final subjects are already high, and any further raising of standards which would worsen the position could raise a hornet's nest.
7. The right of a registered member to a transfer of status to public accountant has been an important corner-stone in the structure of the Society.
8. The Society must regard as its own prerogative the right to say who is or is not to be admitted to membership.

The natural reaction of the Society's Education Committee to the present developments in the Universities could be along the following lines:

1. The present standards of qualification should not be raised.
2. The need for something better in accountancy education should be catered for by post-qualification courses, conducted if possible by the Universities.
3. A director of studies should be appointed, particularly to assist country students.
4. The day release of students for lectures should be avoided wherever possible.
5. Cross-credits in the final subjects of Accounting 3 and Auditing should not be granted.
6. The creation of Chairs in Accountancy at the Universities should be welcomed.
7. The division of the main stream of accountancy students into a degree stream and a diploma stream is to be deplored.
8. The Universities should continue to provide out-of-hours teaching in all accountancy subjects.
9. The University attitude should be regarded with some suspicion as giving insufficient weight to practical experience and too much to theory. The object of teaching should be to produce students educated in accountancy

rather than accounting theorists.

10. Some University body should continue to organise the examining for the Society on a national basis when the University of New Zealand ceases to exist. Failing that, the Society must organise its own national examinations.

The Parting of the Ways?

To what extent can these opposing view-points be brought together?

It seems clear that changes in the pattern of University teaching in Accountancy are unavoidable - in fact they are already in progress. In the long run, they can bring much good to the accountancy profession. The clock will not be put back.

Country students and some students in main centres will not be able or willing to take the University's improved courses, and will continue to be catered for by other forms of teaching.

Post-qualification courses are unlikely to receive much support unless they form part of an additional worthwhile qualification. The Universities will continue to teach Cost and Management Accounting as a B.Com subject, and Advanced Accounting Theory as an Honours course, and may add Business Organisation and Management as a further line of study for qualified accountants.

Some ways in which the extent of divergence may be minimised are:

1. Agreement by employers to limited day release of accountancy students.
2. The granting by the Society of the maximum cross-credit in Accounting 3 (and Auditing, where a B.Com subject). It has been suggested that Accounting 3 papers (a) and (b) might be cross-credited. Associated with this must be the provision of a finals paper or papers for B.Com students.
3. The agreement by the Universities to provide out-of-hours teaching in Accountancy subjects not forming part of the B.Com degree course.
4. A greater appreciation within the Society of the advantages of at least some full-time University study.
5. The provision by the Universities of advanced teaching in accountancy to the maximum extent possible.
6. Co-operation between the Society and the Universities particularly at the local level, in arranging short courses or seminars, particularly for advanced accountancy students and recently qualified members of the profession.
7. The appointment of liaison committees at each University centre to work actively towards achieving the ends outlined above.

Another approach worthy of consideration is the alteration of the Accountancy Professional course by providing for a limited raising of standards, together with a measure of specialisation. For example, the present course with heavily

reduced Auditing and Taxation coverage could form the core, with full cross-credits from the B.Com degree course. To this would be added two or three units of a specialisation, such as:

- A. Auditing, Taxation, Ethics etc.
- or B. Cost and Management Accounting, Business Organisation and Management, and Industrial Law.

Looking Ahead.

We must educate now for 10-20 years ahead. In the face of a changing environment, we must change our approach to accountancy education. The future will see great educational opportunities presented to the Universities, to the students of accountancy, and to the profession as a whole. It is up to us to adapt ourselves to such changes as are in the best interests of the profession, and to see that full advantage is taken of the opportunities for advance in the field of accountancy education.

10th October, 1960.

Extract from the 1977 Calendar

University of Otago

COURSE REGULATIONS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION MBA

1. Every candidate for the degree shall fulfill one of the following conditions:

- (a) have been admitted to a degree of a recognised University and have attained such standards in that degree as to satisfy Senate of his ability to undertake the course;
- (b) hold a professional qualification acceptable to Senate and have attained such professional standards as to satisfy Senate of his ability to undertake the course;
- (c) possess practical experience in management or administration of such a nature as to satisfy Senate of his ability to undertake the course.
 - (i) Preference will be given to candidates who satisfy more than one of the entry conditions.
 - (ii) Candidates admitted under condition (c) only will normally be expected to have at least five years of appropriate experience unless they have held a position of exceptional responsibility.

2. The course of studies for the Degree of Master of Business Administration shall consist of four parts:

Part 1	10 weeks
Part 2	20 weeks
Part 3	10 weeks
Project Report	10 weeks

3. At the discretion of the Senate exemption may be granted from all or part of Part 1 on the basis of previous qualifications.

4. A candidate shall pursue the course of study in consecutive academic terms or over a period not exceeding four years.

5. The subjects for the degree shall be

- | | | |
|--------|---|-----------------------------|
| Part 1 | (a) | Basic General Management |
| | (b) | Behavioural Science Studies |
| | (c) | Quantitative Methods |
| | (d) | Economics |
| | (e) | Business Law |
| | (f) | Accounting |
| Part 2 | Admission to Part 2 will be dependent upon satisfying the requirements for terms in Part 1. | |

The subjects for examination will be:

- (i) Three papers covering the following General subjects; and
- (ii) two papers from one of the Specialist subject areas listed below

General subjects

- (a) General Finance and Accounting
- (b) General Operations Research
- (c) General Information Processing
- (d) General Personnel Management
- (e) General Production Management
- (f) General Marketing Management

Specialist Subject Areas

- (g) Personnel Management
- (h) Production Management
- (i) Marketing
- (j) Information Processing
- (k) Operations Research

Part 3 Admission to Part 3 will be dependent on the candidate satisfying the examiners in all the required subjects of the Part 2 examination. The subjects for examination shall be three papers, as follows:

- (a) Advanced General Management
- (b) Business Policy
- (c) Special topic, which will involve advanced study of some particular aspect of business.

6(a) Every candidate shall submit a project report embodying the results of a field investigation of a business problem and shall submit himself to such oral or written tests on the subject of his investigation, or subjects cognate thereto as the examiners may require. A candidate may not present a project report which has been previously accepted for another degree or other qualification.

(b) Before commencing an investigation for the purposes of a project the candidate shall secure the approval of the Head of Department concerned for the topic chosen and for the proposed course of investigation.

(c) The project report shall be prepared in accordance with the regulations for the presentation of theses.

(d) If the project report, at its first presentation, is unsatisfactory, the Senate may, on the recommendation of the examiners, permit the candidate to revise the report and re-submit it by a specified date.

7. When in the opinion of the examiners a candidate's work is of special merit they shall recommend that the degree be awarded with distinction.

COURSE REGULATIONS FOR THE DIPLOMA IN PERSONNEL MANAGEMENT

DipPersonnel

1. Every candidate for the diploma shall have fulfilled one of the following conditions:

- (a) have been admitted to a degree of a University in New Zealand; or have been admitted ad eundem statum as entitled to proceed to

APPENDIX 6

Planning for the Future

Faculty of Commerce

17 March 1978

(Compiled by Dr. R Johnson
as Dean with the help of
Heads of Departments)

SUMMARY

Academic Developments

High priority is placed on the continued development of the Advanced Business Programme.

In recognition of the considerable growth of the application of computers in New Zealand business, government and other organisations, further development of courses and technical resources in the Computer System area is seen as urgent.

The importance of Marketing to the nation, acknowledged by the university's establishment of a Chair in Marketing, must be recognised by the expansion of coverage and depth in our Marketing courses.

An expanded Extension course programme is planned, particularly in Management and Marketing.

With the very significant increase of commerce student quality over the last few years, there is a need to put more emphasis into our Honours and Master of Commerce degrees. New regulations are being drawn up which would hopefully make the degrees more attractive without compromising academic standards.

Acknowledging the steady state economy, the Faculty has searched for areas of staff commitment which would cause least disruption if cut. It is proposed that Management 3 not be offered as of 1979, to allow the Management Department to devote more time to the Advanced Business Programme. And the MBA specialisations of Operations Research and Computer Systems should be reviewed to allow the B.Com, Hons., and M.Com areas to be strengthened.

Resources

Even a casual look at the University investment in buildings and equipment and at its operating budget indicates clearly the fact that Commerce has long been the poor relation of the University. The Faculty has appreciated the increase in resources which it has received over the last few years, but firmly believes that it is in the university's interest that it receives more than the current 2.6% of funds allocated to Faculties, considering it has 10% of the university's students, and considering that Commerce is doubtless one of the areas that Government looks to for visible contributions to the country, when it comes time to allocate funds to the universities. Commerce is realistic enough not to expect any massive

(b) the diploma
hold professional qualifications acceptable to the Senate. A candidate without a degree or professional qualification but with practical experience in management or administration may be admitted to the course if the Senate is satisfied that he is qualified to benefit from the course.

2. Admission to the course is subject to the approval of the Senate.

3. Candidates for the Diploma in Personnel Management shall pursue a course of study consisting of three academic terms which may be taken consecutively or over a period not exceeding three years except that, in the case of candidates granted exemption from Part 1 subjects under regulation 6 of these regulations the duration of the course of study shall be reduced accordingly.

4. The subjects for the Diploma in Personnel Management shall be:

- (a) Basic General Management
- (b) Behavioural Science Studies
- (c) Quantitative Methods
- (d) Economics
- (e) Business Law
- (f) Accounting
- (g) Personnel Management
- (h) Training and Development
- (i) Industrial Relations

5. The examinations for the Diploma in Personnel Management shall be in two parts:

- Part I Three papers covering all the subjects (a) to (f) listed in Regulation 4 above
- Part 2 Three papers covering all the subjects (g) to (i) listed in Regulation 4 above.

6. At the discretion of the Senate exemption may be granted from all or part of Part 1 on the basis of previous qualifications.

7(a) Every candidate shall submit a project report embodying the results of a field investigation of a problem related to the subjects of the Part 2 examination and shall submit himself for such oral tests on the subject of his investigation as the examiners may require. A candidate may not present a project report which has been previously accepted for another degree or other qualification.

(b) Before commencing an investigation for the purposes of a project, the candidate shall secure the approval of the Head of Department concerned for the topic chosen and for the proposed course of investigation.

(c) The project report shall be prepared in accordance with the regulations for the presentation of theses.

(d) if the project report, at its first presentation, is unsatisfactory, the Senate may, on the recommendation of the examiners, permit the candidate to revise the report and re-submit it by a specified date.

increase, but:

Further staff are essential, particularly in Accounting and Finance, where the student/staff ratio is 33.69:1.

Departmental allocations are insufficient, and teaching quality has already suffered because of this.

There is inadequate access to computer facilities. It is essential that we have a minicomputer for faculty use if we are going to adequately prepare students for careers in Computer Systems in particular, but also other Commerce areas.

Commerce needs its own building.

Further staff are needed within the Faculty at Professorial rank. We do not have that sizable pool of Professors that other large Faculties have. We cannot spread administration very widely as other faculties do; we do not have the resources to serve on our share of university committees; we cannot contribute in the significant manner which we feel a Commerce Faculty should in other areas of the development and administration of the University.

Faculty of Commerce

Planning for the Future

This document is not in itself a plan. This, as we see it, would have taken considerably more time to prepare than was available. However, this document is seen by the Faculty as being a useful step in the planning procedure.

The Faculty is at another important phase of its long term development. It has passed the period of fast growth of student and staff numbers, and the challenges associated with rapid change. New challenges have emerged. We have reached a stage of slower growth in terms of student and staff numbers, but there are still a number of desirable developments that should take place within the Faculty. At the same time, we are of course aware of the financial constraints of the university as a whole. From this point, each step in our necessary progress should be deliberate, carefully planned, and considered in the context of the needs of the Faculty and university as a whole.

As we look at the present position of the Faculty, and evaluate our future opportunities, we will inevitably need to be cognizant of our strengths and weaknesses in assessing our opportunities and limitations.

COMMERCE'S STRENGTHS AND OPPORTUNITIES

Course offerings

- 1.1 We have an undergraduate programme covering the principal areas of interest in Commerce, and a degree structure that allows students to progress in the available subject fields as their interests develop.
- 1.2 We have successfully launched the first MBA and integrated Advanced Business Programme in the country.
- 1.3 We believe that we have a very high quality management education extension programme, comprising the basic management course, training officers course, and the Advanced Business Programme. We understand our reputation for practical training based upon knowledge of industry to be good.

Staffing

- 1.4 In comparison with other New Zealand universities, we have sufficient depth in staffing to give reasonable leadership, security and variety in some, but not all, of the Commerce subject areas.
- 1.5 The Faculty has acknowledged expertise in some areas of accounting and finance, information systems, marketing management, general management, behavioural science, personnel and training, economics, and management science.

Demand Situation

- 1.6 The numbers of entering students in Commerce, as in most vocational areas, are still increasing, at a time when total university numbers are levelling off.

- 1.7 The quality of the student intake is improving significantly every year.
- 1.8 Business education is seeking to meet educational needs by serving functions which are recognised as being of growing importance to New Zealand, as the country moves more rapidly towards industrialisation.
- 1.9 There is still a solid demand for Commerce graduates in accounting and finance, computer systems, economics, and marketing at a time when the demand for graduates in non-Commerce fields is generally falling off.
- 1.10 We are able to contribute to the educational opportunities of students from some of the less developed countries in the South East Pacific region.

Outside Links

- 1.11 We have good links with a wide range of companies.
- 1.12 We have established fruitful working relationships with the N Z Society of Accountants, the N Z Institute of Management, the Vocational Training Council, the Sales and Marketing Executives International, Development Finance Corporation, Small Business Association, and other professional groups.
- 1.13 We have good links with the Vocational Training Council.
- 1.14 We have close links with Regional Development, and a particularly useful relationship with the Business Development Centre and through it with the Development Finance Corporation and the Small Business Agency.

Resources

- 1.15 We have the most comprehensive public company report library in the country, and the only computerised resource data base of N Z company financial data.
- 1.16 We have available to us a comprehensive range of resource material and information on regional development.
- 1.17 We have as a growing resource case studies of New Zealand business problems, particularly in Marketing, Accounting and Finance, and Small Business problems (related to the Business Development Centre).

2. CONSTRAINTS AND CHALLENGES

Competitive Aspects

- 2.1 Our MBA faces growing competition of Diploma courses in three other universities, and the possibility of an Auckland MBA which would have the added advantage of being a 44 week degree. Even if Auckland is eventually unable to start its programme, a number of business firms are adopting a wait and see attitude to their long term education policies.
- 2.2 We are handicapped by the time and expense factors of being at a distance

from the main New Zealand markets. This is a high cost factor in Faculty/industry relations.

- 2.3 We face growing competition from Commerce Faculties in other universities, which are better funded by their university and are physically closer to industry to get their financial support.
- 2.4 We suffer from constraints of limited staffing, and lack residential facilities in the development of an extension programme that is desirable.
- 2.5 We have a weak place in the University power structure: e.g. far fewer professors per student than most faculties; no-one of professorial rank (except in Commerce) is on a single University committee. Commerce staff are rarely consulted in areas of competence. E.g. staffing, planning and budgeting, promotion of university programmes, researching demand profiles for alternative degrees, and marketing the services of the university.

Resources

- 2.6 The Faculty has 10% of the university's students, but just 2.6% of the budget allocated to Faculties.
- 2.7 Accounting and Finance in particular, is chronically short- staffed, with a student-staff ratio of 33.69:1, surely the worst in the university by a very wide margin. All other commerce departments suffer from the strain, particularly when any staff are on sabbatical, or when there are vacancies.
- 2.8 Department allocations in most Commerce Departments are inadequate, and have already caused a decrease in the quality of teaching. This in the one Faculty in the University which should be making visible and substantial contributions to the economy of the country - on which the university ultimately depends for its very survival.
- 2.9 Staffing is insufficient to develop in all the areas that we have a responsibility to be in: Honours/masters; research; post-experience; expanding undergraduate programme: extension programmes; and community involvement. For example, the Advanced Business Programme was introduced at the short-run expense of research and commitment to other areas, but with a longer term understanding that, once established, its staffing implications would be recognised where necessary in Commerce staff establishments.
- 2.10 Different departments in the Faculty have different interests and roles, and this makes it difficult to develop a unified Faculty approach. For example Accounting is the only Commerce Department which (among other academic objectives) prepares students for a profession that is well-defined, and further, is recognised by legislative control. It is recognised that some areas of Management, such as General Management and Business Policy, are best taught at the post-experience level. Economics has traditionally aligned itself more strongly with the Arts Faculty than with Commerce.
- 2.11 Commerce's buildings are most inadequate.

The Faculty has the capacity to contribute to other Faculties, and to the solution of problems within the university. This capacity has been utilised only to a very limited extent. Further contributions should be made, although contributions of teaching in other Faculties must be seen in the context of our own priorities and our limited resources.

4. RECOMMENDATIONS:

4.1 ACADEMIC DEVELOPMENTS

4.1.1 Undergraduate Programme

1. It is recommended that the newly created Department of Quantitative and Computer Studies continue its review of courses, which includes the possibility of increasing the teaching of Computer Systems to about half a unit at the stage one level, and full units at the stage two and three levels.
2. Recognising the growing importance of marketing as a professional field, it is recommended that the Department of Marketing completes its review of courses, which includes the possibility of increasing the teaching of Marketing to a full unit at both the stage two and stage three levels.
3. The Bachelor of Commerce regulations should be revised as soon as the above recommendations are final and approved. Further, all regulations should be reviewed with the aim of fine tuning. The basic structure of the degree: a first year common course, the major system, plus breadth, is confirmed as consistent with the overall objectives of the Faculty.
4. Management 3 should be discontinued, in order to redirect resources into the Advanced Business Programme and the expansion of extension courses; providing approval to run extension courses in term time can be obtained (4.3.4).
5. The servicing of other schools, e.g. Physical Education, Home Science, Mineral Technology and Education, is seen as desirable, but must be seen in perspective of our own developments and commitments. An increase in staffing would be needed for any significant servicing of this type. It is therefore recommended that any substantial teaching commitments made outside the Faculty should not be made without due consideration of Faculty objectives and new establishments.

4.1.2 Post-graduate Programme

1. Firm proposals for a revised Master of Commerce structure aimed at satisfying the needs of Post-graduate study stated above, should be presented to Faculty at the earliest practical time. In this connection, serious consideration should be given to including in the course regulations an introductory research paper, which could be taken by selected senior undergraduates.
2. The honours degree should be further examined as a means of providing more advanced study for those students not wishing to embark on a Masters degree.

3. The development of post-graduate programmes for Hospital and Local Government staffs, both diploma and short courses, is desirable. But it is recommended that the Faculty does not commit itself to these, unless a senior appointment in Hospital Administration and a senior appointment in Local Government Administration are granted.

4.1.3 Post-experience (Advanced Business) Programme

1. The intake to this programme will always be somewhat uncertain. Undergraduate and post-graduate have an intake by natural progression of students from High School and Bachelor degree programme respectively. It is not a natural progression from a career back to university again. It is recommended that publicity and personal selling be included as a necessary part of the programme's development, and that funds for such publicity be sought. Word-of-mouth publicity and direct business firm contacts cannot be relied upon until the Programme has been in operation for some years.
2. The offering of Computer Systems and Operations Research as MBA specialisations should be reviewed in light of programme objectives, staffing constraints, and recommended increased emphasis at the undergraduate and post-graduate level.
3. The offering of further modules should be examined - e.g. "Small Firms".

4.1.4 Extension Courses

1. It is recommended that, providing extension courses can be offered during term time (see 4.3.4), the Management Department should strive to service and follow-up extension courses in:

Basic Management
 Advanced Management
 Tools and Techniques
 Leadership/Social Skills
 Personnel and Industrial Relations
 Local Government (Industry Training Board in Dunedin)
 Hospital Administration
 Management Development
 Training of Training Officers
 Corporate and Long Range Planning
 Small Firm Management

2. The Department of Marketing should strive to service and follow-up extension courses in: sales management, advertising and advertising management, bank marketing (marketing of services) export and international marketing, marketing of non-profit organisations, marketing and society.

4.2 RESOURCES

- 4.2.1 Although it is a long established part of the university, the Faculty has developed, expanded, and to some degree matured late in the university's history. This has made it difficult for the Faculty to get the share of the university resources that is nationally desira-

ble. It is recommended that the Faculty continue in its efforts to achieve sufficient budgets and resources. The university has not always been as supportive to the Faculty as it is today, but further support is needed.

- 4.2.2 Proposals should be further pressed for a new Commerce building. In the planning process, access to facilities, particularly the computer centre and the library; and relative location to other departments with a common interest, are important.
- 4.2.3 Serious short falls of staff exist now. Top priority is for further staff in Accounting and Finance, where the student/staff ratio was an intolerable 33.69 in 1977, and contact hours excessive. Further staff are needed in Management, and positions in Computer Systems and Marketing Management might be soon justified.
- 4.2.4 Vastly improved computing equipment and support is needed. A substantial mini-computer with necessary peripherals and support is needed by Commerce. Proposals for a satisfactory computing setup should be initiated.
- 4.2.5 It is recommended that larger Departmental allocations be sought.

4.3 EXTENSION POLICY

Changes in some aspects of the current Extension Course policy and departmental staffing establishment criteria would encourage Departments to develop in this area. It is recommended that:

- 4.3.1 Involvement in Extension courses for academic credit should be recognised for computation of student/staff ratios and contact hours for staff establishments purposes.
- 4.3.2 Involvement in a regular programme of non-credit Extension courses, should also count for establishment purposes. Safeguards, such as Staffing Committee and Standing Committee approval of such courses, might be needed. The university may need this to safeguard against developments which it cannot afford to support; and departments may also need this to safeguard against building a sizable extension course programme that it later finds the university won't recognise for staffing purposes.
- 4.3.3 Payments to university staff for teaching Extension courses that count for staff establishment should be discontinued. It is noted however, that other costs should continue to be borne by the Extension Department, including advertising, copying, and accommodation.
- 4.3.4 Profitable Extension courses should be encouraged by returning a portion of the surplus income to Departmental funds.
- 4.3.5 Approval for the offering of Extension courses in term time be granted.