

U N I V E R S I T Y   O F   C A L I F O R N I A ,   B E R K E L E Y



# H A A S

*School of Business*

A B R I E F   C E N T E N N I A L   H I S T O R Y

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# Foreword

## A BRIEF CENTENNIAL HISTORY 1898 - 1998

In 1998, the Haas School of Business at the University of California at Berkeley celebrates its 100th anniversary – a tribute to the school’s loyal alumni, friends, faculty, students, and staff whose dedicated service have produced 100 years of leadership in business education at America’s premier public university.

Established on the Berkeley campus through the vision of Arthur Rodgers and the financial support of Cora Jane Flood, the school – originally called the College of Commerce – set about to enrich the cultural and trade opportunities of the Pacific Rim.

From the beginning, the College of Commerce focused on the commercial opportunities in the international and entrepreneurial arenas of the 20th century. Renamed the Haas School of Business in 1986, after Walter A. Haas Sr., BS 10, former president of Levi Strauss & Co., the school continues to provide innovative learning opportunities, research on a rapidly evolving global economy, and creative approaches to the challenges of the 21st century.

Alumni and friends play an integral role in the Haas School’s past and its future. Thanks to their success, financial support, and participation in the Haas community, the school has developed into a preeminent institution of higher learning. Their assistance

and involvement will continue to ensure the school’s academic excellence in the future.

In the following pages, we have recounted the Haas School’s first 100 years – from its humble beginnings as the College of Commerce to the internationally acclaimed Haas School of Business we know today. We have highlighted some faculty members and alumni whose names you may recognize and whose experiences help tell the school’s story. Many more have made invaluable contributions to the school and to the community, and we regret that we cannot name them all.

We would like to thank the following individuals for contributing to this publication: Frederick Balderston, Laura T. Brehm, Earl F. Cheit, Tenny Frost, Joseph Garbarino, William A. Hasler, Richard Holton, David Irons, Melissa Lagreid, Christine Leigh-Taylor, Thomas Marschak, Raymond Miles, Maurice Moonitz, Frederick Morrissey, Joan Rex, and Christine Rosen.

E. T. Grether’s oral history and his articles in *CalBusiness*, Maurice Moonitz’s *History of Accounting at Berkeley*, Dow Votaw’s *History of Business and Public Policy*, the Bancroft Library, and the Regional Oral History Office were invaluable resources in our research.

# Business Education Comes to Berkeley



Arthur Rodgers brought the idea of business education to Berkeley in his 1883 commencement address, envisioning that “the Occident and the Orient, the past and the present, will here commingle their culture and the Pacific will be illumined from Berkeley.”

Opposite page:

The College of Commerce was first housed in South Hall (right).

1898 - 1914

*The visionary concept of a college at the University of California to prepare students for careers in commerce was first proposed in an 1883 commencement address by Arthur Rodgers, a Berkeley graduate and well-traveled business professional. He stirred his audience, inspired the governor, and set in motion ideas that, fifteen years later, would create the nation’s first college of commerce at a public university. At the time of Rodgers’ commencement address, the university itself was only 15 years old and owed its existence to the gold rush pioneers and the preachers and teachers that had followed them west. Their collective vision for a College of California predated even the admission of California as a state in 1850.*

Henry Durant, a Congregational minister and Yale graduate, headed for California in 1852 telling his friends he “had a college on the brain.” He opened a private college, which he called the College of California, with three pupils in the new settlement of Oakland on the San Francisco Bay. Thanks to the college’s success, Durant was able to donate 160 acres of land in the near-by Berkeley settlement to the newly established state of California. In the meantime, the federal government had made land and resources available to states through the Morrill Land Grant Act of 1862 for the purpose of providing public education to the sons and daughters of the nation’s farmers and workers. Combining Durant’s gift with land grant funds, the state established the University of California in 1868 and appointed Durant to be its first president.

The university’s charter stated that its Board of Regents should provide education in all “the departments of science, literature, art, industrial or professional pursuits,” listing among others the study of commerce. Thirty years after the founding of the university, and thanks to the vision of Arthur Rodgers and the generous

#### College of Commerce Enrollment:

1898	3 students
1902	5 students
1908	192 students

response by Cora Jane Flood, the university established a college to teach the art of commerce.

In his Berkeley commencement address, Rodgers – an 1872 graduate of the College of Agriculture – spoke admiringly of the cultural sophistication he had encountered on his

travels to Asia, and emphasized the strategic location of the University of California in relation to what he called the Pacific hub. “Here should be located,” he said, “a College of Commerce and Travel, with an endowment sufficient to send its students to observe the countries with which we should have closest intercourse. Here should be founded fellowships which would stimulate research in those lines of investigation fruitful to sociology, history, and commerce. With our established departments thus supplemented, students of every race will be attracted to this university. The Occident and the Orient, the past and the present, will here commingle their culture and the Pacific will be illumined from Berkeley.” Inspired by his vision, the governor appointed Rodgers to the Board of Regents, where he went to work on his idea.







Cora Jane Flood's substantial gift to the University of California launched the College of Commerce in 1898.

In a report to the board, Rodgers and fellow Regents A.S. Hallidie and George T. Marye Jr. formally proposed that the university establish a College of Commerce. It was a new field of study in the United States. Their report mentioned the Wharton School of Finance and Economics, which had been established in 1881, but would not have a dean and be fully operational until 1912, and efforts by the University of Chicago, which would not have a dean and be operational until 1902.

An international comparative study, however, showed that there were many more opportunities for commercial study in Europe and Japan, sponsored mostly by merchant guilds, city councils, and similar organizations. Many commerce graduates went to work for government consular services. Germany, the leading nation in this field, featured 60 different commerce programs at the time and fostered strong relationships between business and government.

Reminding the university of its mandate as stated in the Organic Act of 1868, the proposal for the College of Commerce declared that: "We have reached that point in knowledge and improved methods where our production is far beyond the consumption of our own people, and capable of vast expansion. ... We must reach the markets of the world with low cost." At the time, the university itself was not widely known. It counted a total enrollment of only 1,717.

The idea for a College of Commerce became reality when on September 13, 1898, Cora Jane Flood made a generous gift that provided the money to get it started. She donated a residence and tract of about 550 acres near Menlo Park, half interest in 2,400 acres of adjacent marsh land, and four-fifths of the capital stock of the Bear Creek Water Company to the university with the condi-



tion that the property and any proceeds should be devoted to some branch of commercial education. In a second gift in 1924, Flood also donated her San Francisco residence to the university for the benefit of the College of Commerce.

What inspired Flood to make this generous gift? The record offers no conclusive answer. The best guess is that she wanted to honor her beloved father, James Clair Flood. James Flood was one of the original bonanza kings, whose Comstock Lode had provided a fortune. He subsequently became one of the area's major bankers and industrialists and also served as a Regent and a treasurer for the university for many years.

Cora Flood's first gift was the largest private contribution in the university's then 30-year history.

The early years of the College of Commerce reflected California's agricultural and trading focus at the turn of the century. San Francisco was the economic and financial center of the West Coast. University President Benjamin Ide Wheeler, who had been recruited by Rodgers to lead the university into the 20th century, continuously advocated support for the College of Commerce. In a moving address to the Merchants Association in San Francisco in 1899, Wheeler spoke of the democratic role of the new land grant people's universities: "The day has passed when the university existed to train men solely in a certain narrow list of vocations, either for lives of leisure as gentlemen's sons, or to professions such as the ministry, the law, medicine, and teachers. ... The modern university has to do with all that concerns life and the interests of life. ... A college of commerce does not represent any new departure on the part of our university. It is a natural output of the university." He moved on to appeal to the merchants to support the college and "to grab hold of the twentieth



In his oral history, Walter Haas, BS 10, remembered his favorite Cal professors: Jessica Peixotto, who influenced his interest in public affairs and social organizations, and Professor Hatfield, "who had probably as much effect on my business career as anything because I *did* learn accounting."

After college, Haas worked for the Haas Brothers' grocery business and then served in World War I. "My father-in-law Sig Stern came to me when I came back from the war and said, 'Come into Levi Strauss & Company. I want you to try it for two years. If you don't like it, the business will be liquidated.'"

Haas joined Levi Strauss & Company in 1919 and turned it into the world's largest apparel manufacturer and leader in corporate social responsibility. Haas served as the first chair of the school's advisory council. In 1989, ten years after his death, his family made a cornerstone gift to the school, which was renamed the Walter A. Haas School of Business in his memory.



century – restless turbulent young fellow as he is likely to be.”

Carl Copping Plehn was appointed the college’s first dean in 1898. A finance professor educated in Germany – as many of his colleagues in higher education were at the time – he was an important figure locally and nationwide. Plehn was the first Westerner to be elected president of the American Economic Association. He was a member and secretary of the Commission on Revision of the Revenue Laws of California, and served as chief statistician with the Philippine Commission. He wrote several textbooks in public finance and taxation. As dean he drafted the college’s first four-year curriculum leading to a Bachelor of Science degree.

That first curriculum established the important fact that the College of Commerce had been established in the liberal arts tradition and drew on faculty from a variety of disciplines on campus. It offered courses in Philosophical Studies; History and Principles of Commercial Ethics; Legal Studies; Political Studies; Historical Studies; as well as The History of the Institution of Private Property, the History of Commerce in All Countries and at Every Age, and Political Economy.

From its earliest days, the college had an international focus. The president’s biennial report of 1898 suggested that “students [of commerce] be required or encouraged to spend one or more years in some foreign country in order to become thoroughly familiar with its commercial and industrial conditions.” Students were urged to study Chinese, Japanese, or – starting in 1910 – Russian.

The college’s first faculty members included some of the pioneers in the field of business. Simon Litman taught the first course in marketing between 1902 and 1908. Adolph Miller, who was the Flood Professor of the Political Economy and Commerce from 1903 to 1915, later served on the first Board of Governors of the Federal Reserve System. Wesley Mitchell, who taught at Berkeley from 1905 to 1913, is known as the father of the business cycle analysis. Charles Staehling, who had received his MS at Berkeley in 1918 and taught accounting at the college from 1921–51, was known for adding a theoretical framework to the praxis-oriented teaching of accounting principles. Henry Mowbray, who taught from 1910 to 1948, wrote the first college textbook on insurance.



Carl Copping Plehn, a pioneer in accounting, was the college’s first dean.



Professor Adolph C. Miller served on the Federal Reserve System’s first Board of Governors.



Professor Simon Litman taught the first course in marketing.



Professor Ira “Doc” Cross

*Opposite page, center:* UC President Benjamin Ide Wheeler (shown on his horse Rex) appealed to the Bay Area’s merchants to support the College of Commerce and “to grab hold of the twentieth century – restless turbulent young fellow as he is likely to be.”

*Above:* College of Commerce classes were held in Wheeler Hall (left).



# College of Commerce Offers Business Education in a Liberal Arts Setting

1915-1941

*In 1915, Dean Plehn successfully proposed giving the college's curriculum a professional focus. Although his plan for a junior- and senior-year commerce program following two years of liberal arts was postponed by World War I, it was to set the pattern for today's undergraduate program.*



Dean Henry Rand Hatfield was a pioneer in the field of accounting and the first full-time accounting professor in the nation.

Dean Plehn's plan reflected important trends in American industry and higher education. As the nation's economy made the transition from agriculture to industry, colleges and universities responded by offering business training. Harvard opened its business school in 1908. Many other institutions followed. Their emphasis was on applied instruction, preparing students for new management occupations. In 1919, the College of Commerce offered the first course featuring the word "management" in the title. More and more commerce-related courses appeared in the curriculum.

Henry Rand Hatfield became the second dean of the college in 1916. Hatfield was a pioneer in accounting. Hired by Berkeley in 1904 as the first full-time accounting professor in the country, he played a leading role in the founding of the American Assembly of Collegiate Schools of Business (AACSB) and the national honor society, Beta Gamma Sigma. He published the first paper in the United States on accounting theory, presented at the American Economic Association meeting in 1903. As dean, Hatfield used Berkeley's Summer Sessions to attract outstanding scholars from the East Coast to teach at the College of Commerce, and so gained increased recognition for the new college.

Veterans returning from World War I in 1918 created an enrollment boom with 852 undergraduate students in 1920/21. From this point on, former Dean E.T. Grether recounted in his oral history, "the College of Commerce was a

#### Undergraduate business enrollment nationwide:

1920	1,250
1940	18,549
1949	72,137

major factor in the Berkeley campus."

Enrollment continued to grow through the 1920s and 30s, even as the economy started to decline. In fact, enrollment peaked at the end of the Great Depression in 1938/39 with 1,540 students.

During the 44 years of its existence, the College of Commerce (1898–1942) granted 5,512 Bachelor of Science degrees in commerce, with 13.4 percent going to women. While the percentage of women grew from 7.2 percent during its first decade to 15 percent in its third and last decade, Grether described the college as "a mostly male institution."

However, several women in the early days made their mark on the institution. When Carrie Virginia Maclay became Ira Cross's teaching fellow in 1922, she was the first woman to hold this position on the Berkeley campus. While Maclay, who later married E.T. Grether, did not finish her Ph.D., she had an active career in the Berkeley community. Both Maclay and Grether also took courses and conducted research with economics professor Jessica Peixotto, who was the school's first female instructor. Peixotto's views on social welfare and social economics strongly influenced both Grether and Walter A. Haas Sr., who graduated from the College of Commerce in 1910 and moved on to build Levi Strauss & Co.

Catherine DeMotte Greene in 1929 was the first person to earn a master's degree with a specialization in accounting. Her 1937 Ph.D. dissertation about German accounting theory did

*Opposite page:*  
E.T. Grether (third from left) and the College of Commerce baseball team celebrated Derby Day 1923.







Professor Maurice Moonitz, BS 33, MS 36, Ph.D. 41, came to California during the Great Depression in a Model-T Ford. Known to many as Mr. Accounting, he received the Berkeley Citation, joined the Accounting Hall of Fame, and was named Outstanding Accounting Educator by the American Accounting Association.



Professor Catherine Greene, MS 29, Ph.D. 37 (economics)

not seem like a remarkable contribution at a time when most scholars had studied in Germany, but served later students who had not had that privilege. Greene became the first female tenure-track faculty member at the college; she also taught at Mills College in Oakland. For many years, she was assistant dean and then associate dean of women at Berkeley. Her dissertation, *The Dynamic Balance Sheet: A German Theory of Accounting*, was finally published as a book in 1980, two years after her death.

Like Maclay, Grether arrived at Berkeley as a student of Ira "Doc" Cross in 1922. Grether earned his MA in 1923 and his Ph.D. in 1924, both in economics, after which he was appointed assistant professor. He studied economic theory, but soon became interested in marketing. Throughout his career, he taught both marketing and economic theory because he felt that together they provided a powerful analytic framework. Every term he offered one course in the evening so that business people could attend his lectures, and he developed the school's first custom programs for the continuing education of business practitioners.

At that time, Berkeley had already developed an international reputation and attracted a significant number of international students. Its International House, founded in 1928, was only the second in the world, after New York's, which was opened in 1924. In one course, recalled Maclay in her oral history, Grether had students from 18 different nations and remarked that it was the most interesting class he'd ever had. Most international students came from Europe, China, and Japan.

Despite its growing reputation, the College of Commerce community remained fairly small; its members enjoyed a warm camaraderie and a variety of extracurricular activities. The college featured

its own baseball team and several student associations, including the Commerce Club, Beta Gamma Sigma (for men), Gamma Epsilon (for women), and a number of professional fraternities with specialized interests, such as accounting, foreign trade, and advertising.

Although Grether described the 20s and 30s as "a time of consolidation for the college," it was also a time of curricular development. The college's third dean, Stuart Daggett, a scholar in railroad economics, created plans for reorganization and curricular change. In 1925, the college started to offer a two-year Master of Science



Rudolph Peterson, BS 25, grew up on a farm in a Swedish immigrant community in Turlock, California. He planned to study medicine at Stanford, but when his family's finances faltered due to problems in the raisin market, he chose the more affordable College of Commerce. Following graduation, he joined the Commercial Credit Corporation, which pioneered automobile financing for dealer inventories and consumer purchases. He later supervised financing activities in Mexico, Guatemala, and Cuba. He returned to the US at the height of the Great Depression to "trouble shoot" branch problems and soon was supervising all branch operations in the midwest. In 1936, Bank of America hired Peterson to start their consumer credit business, which turned into such a success that Peterson became the authority on consumer financing. When World War II broke out, he transferred to TransAmerica, where he managed financing of new residential housing nationwide and later supervised all TransAmerica banks in the five western states. After serving as CEO of the Bank of Hawaii, Peterson returned to BankAmerica Corporation as its president and CEO in 1961. Upon retiring in 1970, he became administrator of the United Nations Development Programme.

A loyal alum, Peterson was Cal's 1967 Alumnus of the Year and received the Chancellor's Award in 1991. His 1997 gift endowed the school's Peterson Program in Business Ethics.





degree. The number of students in this program always was relatively small, and course offerings were limited.

1928 brought the college its fourth dean, Henry Francis Grady. Under Grady's leadership, discussions about reorganizing the college continued. During 1934–36 Grady went on leave to Washington DC to become an advisor to President Franklin D. Roosevelt, where he helped develop the program of reciprocal trade agreements. Grether filled in as acting dean.

After Grady's resignation, Robert Calkins, chairman of the economics department, became the college's fifth

dean and recruited several high-profile faculty from other universities, including Robert Aaron Gordon and Norman Buchanan. Calkins left Berkeley a few years later to become the dean of Columbia University's School of Business.

The Great Depression spurred a major wave of business regulation. California enacted its first Fair Trade Law in 1931 and the Unfair Practices Act in 1933, regulating manufacturers' pricing strategies. The US Congress enacted the Robinson-Patman Act in 1936, restricting pricing practices on a national level.

His many studies of markets and pricing structures made Grether the leading expert in this field. He advised federal and state legislators. He served as a special consultant to the Office of Price Administration in 1944 and as director of economic management at the National Security Resources Board in Washington DC in 1948, and became a key figure in the new field of business and public policy.



Eugene Trefethen, BA 30, recalled his Berkeley days as a great experience. "I picked up the basics of economics, that helped me all through my life," he said. "But more important were the relationships I built with people of different backgrounds."

Trefethen met Edgar Kaiser, BS 30, at the Chi Psi House. "Edgar introduced me to his father, Henry Kaiser. After that I worked for Kaiser Industries during all vacations."

Trefethen spent most of his career working with Henry J. Kaiser on major projects such as Hoover Dam and the Oakland-San Francisco Bay Bridge, and eventually became president of Kaiser Industries. He also helped establish the Kaiser Foundation Health Plan and Hospitals.

A loyal Cal supporter until his death in 1996, Trefethen received Cal's Alumnus of the Year Award in 1979 and the Berkeley Medal in 1989. He was instrumental in raising the funds for the Haas School's new building, whose Dean's Suite is named in honor of him and his wife, Catherine.

Top: The Phi Chi Thetas were the women's professional commerce society.

Bottom: The Berkeley campus overlooking the San Francisco Bay in 1933, before the Golden Gate Bridge was built.



# Grether Builds a Solid Foundation for Modern Business Education

1941-1961

*E.T. Grether's 20-year tenure as the sixth dean began in 1941.*

*His goal was to transform the College of Commerce into a modern business school. World War II was accelerating California's industrialization, sharply increasing a long-term trend in the demand for skilled professionals. Between 1910 and 1950, the number of managers in the business professions had increased from 3.6 million to 7.9 million, and so had the need for their training. Grether was determined to create a business school that would help meet this demand.*



**B**uilding intellectual capital – adding to the store of human knowledge – is, by its very nature, work that must continue, but is never complete. In pursuing the discovery of truth, the need for constant renewal of resources is always present.

– E.T. Grether

Previous reorganization efforts had failed, Grether learned, because practitioners had told UC President Robert Gordon Sproul that the College of Commerce was not in step with the business community. In 1946, Grether recruited business executives to form an advisory council, known today as the Haas School Advisory Board, to help steer the quickly expanding institution and to respond to Sproul's concerns about upgrading the work of the college. The advisory council's 12–15 members were appointed by the president of the university. The council members included corporation presidents, top executives, and supreme court judge Roger Traynor. Today's Haas School is named in honor of the first chair of Dean Grether's advisory council – Walter Haas Sr.

Early in his administration, Dean Grether moved to reshape the college. In 1942 the College of Commerce was transformed into the Department of Business Administration; economics faculty who had been teaching primarily in the College of Commerce transferred into the new department. The following year, the department was renamed the School of Business Administration, finally offering the two-year upper division program leading to the BS in Business Administration the school had sought for many years. While the assumption was that top students would transfer to the school from

*The number of graduate business degrees granted at Berkeley:*

1944	8
1954	50
1964	202

junior/community colleges, such transfers did not become common until much later.

The school established a one-year graduate program in 1943, offering courses in accounting, finance, personnel administration, insurance, actuarial science, statistics and business research, transportation, public utilities, marketing, retailing and advertising, and foreign trade.

With the end of World War II, large numbers of young veterans funded by the GI bill enrolled in the university, eager for the professional training necessary to reestablish their lives. The school of business administration's undergraduate program accommodated many of them. Undergraduate enrollment had dropped from a post-depression peak of 357 to a wartime low of 83 in 1944. It reached an all-time record of 905 in 1949. "The undergraduate program was filled almost to bursting by the onrush of returning veterans," recalled Grether in a *CalBusiness* account of his tenure.

Concerned with the quick growth of the program, but unwilling to compromise the quality of the regular faculty, Grether hired visiting faculty and temporary lecturers and expanded class size to the maximum that classrooms could hold. "I met a marketing class in 101 California Hall, which seated 400," remembered Grether. Over the years, Grether slowly added highly







## CAL BUSINESS ALUMNI

The Cal Business Alumni Association came into being in 1954, the first organized effort to establish an ongoing relationship with the school's alumni. Its first president was Reginald Biggs, BS 22, president of the Emporium-Capwell and the White House department stores in San Francisco, followed by Wallace Breuner, BS 25, founder of Breuner's.

skilled faculty that fit well into the Berkeley environment, including Van Dusen Kennedy, Joseph Garbarino, Sherman Maisel, David Alhadeff, Frederick Morrissey, Austin Hoggatt, Thomas Marschak, and Frederick Balderston. Student-to-faculty ratio gradually improved, and class size decreased to more manageable levels.

While specialization was critical to business schools at the time, Berkeley actively tried to preserve its interdisciplinary heritage. In 1947, the school had begun appointing law-trained tenure-track faculty to augment its offerings in the legal environment of business. Dow Votaw, arriving in 1948, specialized in corporate governance and social responsibility. Michael Conant, who joined the faculty in 1954, concentrated on antitrust issues. Earl F. Cheit brought social insurance and public policy expertise to the school.

In addition to curricular changes, Grether created several research units. In 1941, he established what we know today as the Institute of Business and Economics Research. In 1945, he created the Institute of Industrial Relations. Both institutes drew heavily on business faculty research. Grether recruited Clark Kerr, Ph.D. 39, to join the business faculty and to serve as the first director of the Institute of Industrial Relations.

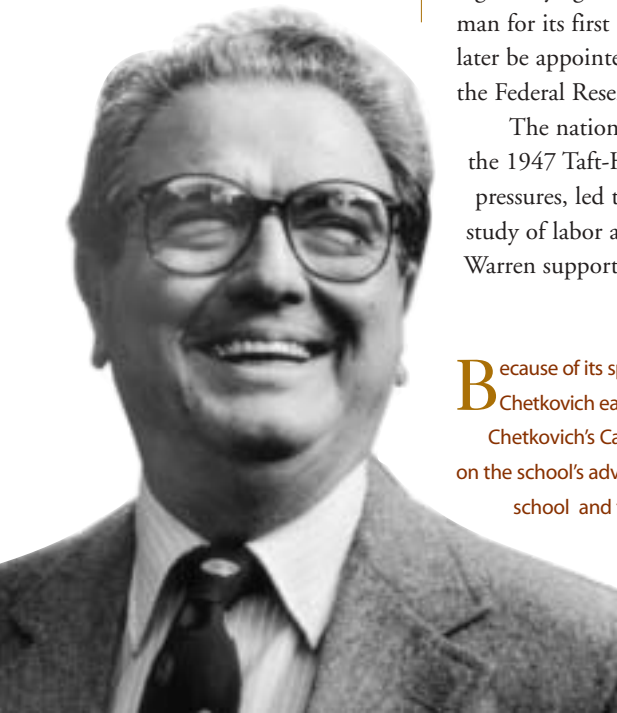
In 1950, Grether opened the Center for Real Estate and Urban Economics. While real estate courses had been taught since the 1930s, they did not comprise a coherent discipline until the rise of regulatory agencies in the 50s. Paul Wendt was the center's chairman for its first 15 years, followed by Sherman Maisel (who would later be appointed by President Lyndon Johnson as a governor on the Federal Reserve Board) and Wallace Smith.

The nation's basic labor legislation, the 1936 Wagner Act and the 1947 Taft-Hartley Act, combined with post-war labor market pressures, led the state to dedicate significant resources to the study of labor and industrial issues. California Governor Earl Warren supported the Institute of Industrial Relations, which



would contribute significantly to Warren's, Grether's, and Kerr's efforts in resolving the state's growing number of labor-management conflicts.

The war effort had transformed California into a highly industrialized economy, especially in the aircraft and steel industries, providing good jobs, which in turn attracted many new residents to



Because of its sports reputation, Cal was the only college to which Michael Chetkovich, BS 39, MS 40, applied. Born and raised in Calaveras County, California, Chetkovich earned the money for college working in his father's gold mine. After completing two degrees at the College of Commerce, he joined Haskins & Sells.

Chetkovich's Cal career continued when he was appointed Regent's Professor at the school in 1979 and became external affairs director in 1986. He has served on the school's advisory board, alumni association, development council, and the building campaign. He received Alumnus of the Year awards from the business school and from Cal, as well as the Chancellor's Award from the UC Berkeley Foundation.

When he retired in 1978, Chetkovich was CEO of Haskins & Sells and chairman of Deloitte Haskins & Sells International. The Deloitte Haskins & Sells Foundation endowed a chair in accounting in his name at the Haas School. The Michael N. Chetkovich Career Center is also named in his honor.



Faculty Glades on a  
misty morning

the state. Concerned about the transition to a post-war economy and potential unemployment problems, Warren established the Reconstruction and Reemployment Commission. The commission funded Grether's 1946 *Study of Steel and Steel-Using Industries of California*, which examined the conversion of the state's major industries to peace-time production. Warren also appointed Grether and several of his faculty colleagues to the San Francisco World Trade Center Commission to develop proposals for the development of the city's port and international trade.



US Supreme Court Chief Justice  
Earl Warren (former Governor of  
California) , UC President Gordon  
Sproul, and Berkeley Chancellor  
Clark Kerr celebrate Charter Day  
in 1954 (left to right).





Vera Mae Twist, BS 24, who started as assistant dean at the College of Commerce in 1928 and went on to serve under eight deans, and staff members Alice Colbath and Anne Sanchez (left to right) registered participants for a conference at the Berkeley City Club.

While the end of the war did not bring the depression some had feared, California's unemployment rates climbed and, in 1949, were higher than the nation's. Again Warren called on Grether, this time to moderate the Governor's Conference on Unemployment with 2,000 industry, agriculture, and labor representatives to discuss efforts to strengthen the state's economy.

Kerr's successful leadership of the Institute of Industrial Relations made him an attractive candidate to become the first chancellor of the Berkeley campus in 1952. He became president of the university in 1957 and led the development of the state's Master Plan for Higher Education. He decentralized and broadened the scope of the branch campuses, and built new UC campuses in Santa Cruz, Irvine, and San Diego to accommodate the growing number of students.

Although the business school has never been a center of political activism, several of its key faculty members were involved in one of the university's most divisive political issues: the loyalty oath. In 1949, several bills were introduced in Congress aimed at protecting the United States from internal communist or national-socialist threats. One of them proposed a constitutional amendment granting the legislature power to ensure the loyalty of the

University of California's officers and employees.

The comptroller of the university persuaded the Regents to adopt their own oath in the hope that it would preempt a more burdensome constitutional amendment. The oath consisted of a loyalty statement and a disclaimer of commitment to any organization seeking to overthrow the US government.

At the time, Grether was serving as the chairman of the Academic Freedom Committee. His former student, subsequently a business school professor, Malcolm Davisson, BS 30, chaired the faculty negotiating committee. Walter Haas Sr. worked to organize fellow business school alumni to express opposition to the oath. All efforts at compromise failed. Two of the business school's faculty (along with thirteen faculty from other schools and colleges) were dismissed for refusing to sign the oath; one was later reinstated, but the other decided to remain in the private sector.

In the end, Berkeley faculty sued the Regents for altering the employment contract after the fact and won. However, the Levering Act of 1953 reinstated the oath, not as a requirement to work for the state of California or its agencies, but to receive payment. "The faculty had won the battle," remembered Professor Emeritus Maurice Moonitz in his *History of Accounting at Berkeley*, "but lost the war."



By the mid-1950s, the rapid enrollment growth at American business schools prompted a critical examination of what had become the largest undergraduate major in higher education.

The two most influential studies were the Ford Foundation's Gordon–Howell study and Carnegie Corporation's Pierson study, both published in 1959. The Ford Foundation's study was based in Berkeley and conducted by Robert A. Gordon, then chair of the economics department, and James Howell of Yale. Their study, much like the Pierson report, found many weaknesses in undergraduate business education. It was too descriptive, lacking critical economic analysis and quantitative skills.

The two studies also called for business curricula to include more social and behavioral sciences, and the Ford Foundation supported its recommendation with substantial funding in this area. At the time, Grether and key business faculty had already shifted the curriculum at Berkeley to incorporate more of the political, social, and legal environment of business in their studies. Votaw and Cheit had begun teaching a course on the political and social environment of business in 1959, the same year the studies appeared. Their pioneering work laid the groundwork for the emergence of the business and public policy group at the school.

The Institute of Industrial Relations also served as a magnet for interdisciplinary scholarship, attracting talent and leadership especially from business, economics, and psychology. Whereas the business school had been a pioneer in labor relations and employment policies in the 50s, it became a leading school in the newer area of organizational theory and behavior in the 1960s with the hiring in 1961 of George Strauss. Strauss was a pioneer in studying the relationships between organizational units and wrote a well-known textbook on personnel and labor relations. He was followed by Raymond Miles, who studied leadership and managerial philosophies, and later by Karlene Roberts, who conducted research in organizational communications and motivation.

In the meantime, Grether had also hired the school's first economist whose work was not linked to a business function. Julius Margolis had an interest in real estate economics, but when he arrived at Berkeley, all the real estate slots were already filled. Thus, Margolis became the school's first economist without an applied specialization. Later appointments, including Sherman Maisel, David Alhadeff, and Thomas Marschak, built the school's economics program, known today as economic analysis and policy.

The school continued to expand, inaugurating the long-awaited Graduate School of Business Administration in 1955, followed by the Ph.D. in business administration and executive education programs in 1956. With the three degree programs established and several research centers in place, the school was now prepared for the expansion of management education that was to come.



Professor Clark Kerr, who served as Berkeley Chancellor and as UC President, developed the state's Master Plan for Higher Education.



West Churchman was the leader of the management science nucleus at Berkeley. His book, *The Systems Approach*, published in 1968, established him as the leading expert in this field.



**D**on Fisher, BS 50, founder and chairman of the Gap, has fond memories of his college days. He swam for Berkeley for four years and played water polo for three; he served as captain of both teams.

After college, Fisher went to work at his father's mill and cabinet business, and later formed the Fisher Property Investment Company. He conceived of the idea for The Gap in 1969 when he bought a pair of jeans that didn't fit. "Trying to exchange them at a department store was a big mess, and they didn't have the size I needed," said Fisher. "So I thought of starting a jeans franchise." The name for the store – The Gap, as in the generation gap – was created by Fisher's wife, Doris. Today, The Gap sells clothing through its Gap, GapKids, Banana Republic, and Old Navy stores. There are 2,100 stores in the US and abroad.

Fisher still participates in many Haas School activities. "Education is the single most important social responsibility we have," he said. "You have to give a hand to young people on their way up." A member of the school's advisory board and 1986 Alumnus of the Year, Fisher also likes to share his experiences with Haas students. Both the Fisher Center for Real Estate and Urban Planning and the Fisher Center for Information Technology Management are named in his honor.

# Berkeley Reforms Its Business School Curriculum

1961-1975

*After 20 years of service, Dean Grether retired in 1961. He was succeeded by John W. Cowee, who served as the school's seventh dean from 1961–66. Under Cowee's leadership, business education at Berkeley continued to move in the direction recommended in the 1959 Ford Foundation and Carnegie Corporation reports: greater integration of the social sciences into the business curriculum.*



Deans Grether, Holton, and Cheit

Further impetus toward integrating the social sciences into research and teaching came with the completion of Barrows Hall in 1964. For many years, going back to its early days as the College of Commerce, the business school had shared space in a haphazard manner with various departments in Wheeler and South Halls, but in the late 1950s Grether had pushed the campus to facilitate integration among the social sciences by housing them together with the business school in one central location. Grether had even gone so far as to decline the possibility of a site on the northeast corner of campus for a new business school building because he feared it might isolate business too much from the rest of the university. With the move into Barrows, Grether's vision was realized, and the business school now shared facilities with the economics, political science, and sociology departments.

Meanwhile, the struggle over voting rights in the American South made activists of many Berkeley students. In the early 1960s, Berkeley administrators and students clashed over new campus rules that prohibited student organizations from taking positions on off-campus political, religious, economic, or international issues. These conflicts came to a head in 1964, when the university adopted new rules prohibiting students from setting up tables on university property to solicit recruits and raise funds for the civil rights movement and other causes. Students openly defied these regulations, and when Berkeley administrators and students clashed over the tables, the "Free Speech" movement began.

*The average number of degrees awarded annually between 1962 and 1975:*

Undergraduate:	311
MBAs:	233
Ph.D.s:	13

As the United States became involved in the Vietnam War, student unrest escalated, resulting in demonstrations, sit-ins, and riots. At the business school, MBA students organized a poll of employees of major Bay Area firms to learn where they stood on the war.

Berkeley's image as a center of dissent helped provoke a conservative backlash and the election of Ronald Reagan as California governor in 1966. Governor Reagan sent in the National Guard to quell demonstrators and restore order, and cut state funding for higher education, forcing the university to begin relying more heavily on private contributions to maintain its academic excellence.

"The general unrest affected the business school, but not nearly as much as other parts of the campus," recalled Cheit, who served as executive vice chancellor of the Berkeley campus during the tumultuous years of 1965–69. "Business students were probably as idealistic as any other students, but they were more focused on their education than some of the leaders of student movements from other departments."

During this period, another revolution was taking place behind the scenes. Growing use of computers sparked the development of management science. Management science originated during World War II, when mathematicians and statisticians helped the British and US governments solve military problems, such as quality control and troop supply logistics. After the war, there were many attempts to apply the same kind of thinking to various

*Opposite page:*  
The Free Speech Movement was born on the Berkeley campus in 1964.







Linda J. Cyrog, BS 67 (communications), MBA 69, enjoyed her education inside and outside the classroom. "It was the Sixties, and it was Berkeley," she explained. To Cyrog, being a student also meant participating in demonstrations, seeing foreign films, tutoring disadvantaged children, hearing international speakers, attending concerts, playing bridge at the Lair, and discussing social issues. Cyrog's marketing career started during school with a job at Walter Lander and Associates. In the 80s, she became the first female vice president for two companies: McKesson Corporation and American President Lines. After 20 years, she retired from the corporate world and launched her own consulting firm, Strategies Incorporated.

Right: Dean Holton (center) strengthened the school's outreach, meeting with alumni, establishing the Alumnus of the Year Award in 1970, and launching the school's alumni magazine, *Decision*, in 1975.



non-military problems, and in particular to industry. Management science applied economic and sociological analysis to problems of marketing, finance, supply, and transportation.

Business school faculty had always had strong ties to mathematics and to the social sciences. Through the Institute of Industrial Relations, it also fostered relations with sociology, psychology, and economics. Combining these disciplines, the school had a very active faculty in management science, chaired by West Churchman. In 1961, the business school established the Center for Research in Management Science. Fred Balderston was its first director, followed by Thomas Marschak and John Wheeler.

A substantial, five-year grant from the Ford Foundation fostered ground-breaking research in operations research, decision science, and organizational theory, which gave the center national recognition. Austin Hoggatt and Balderston were involved with computing; Edward Feigenbaum and Julian Feldman conducted research on artificial intelligence.

The center soon opened a Management Science Laboratory in the lower level of Barrows Hall, which introduced the use of computers in the study of management. There, Balderston and Hoggatt conducted a joint study of man-machine simulations. Churchman saw an opportunity in one of the recommendations of the Ford and Carnegie studies – greater quantitative and economic analysis skills – and started offering summer teaching seminars in these disciplines for faculty, mostly from other universities.

Other ground-breaking work followed. Under William Vatter's direction, Wayne Boutell wrote a doctoral thesis, *Auditing with the Computer*, which became a pioneering work and was published in 1963. Until then, accountants had conducted their audits manually

and then cross-referenced with the computer. Boutell, an accountant himself, was able to show practitioners a more efficient way of auditing using computers only.

Also in the lab, Mark Garman pioneered early stock exchange simulations, studying market micro structures. In fact, several faculty later applied their knowledge of operations research to the field of options financing and microstructures. The study of finance theory progressed with the work of Nils Hakansson, Hayne Leland, Barr Rosenberg, and Mark Rubinstein on options mechanisms.

Information science, another outgrowth of management science, extended the use of computers in management. At this point, the use of computers for research and management purposes was in its infancy. Prior to the 1960s, Berkeley faculty were forced to use UCLA computers for research. Grether in the 1950s had tried to rally faculty colleagues to push the administration to buy a mainframe for use by all Berkeley departments, but was unsuccessful. When the campus finally obtained its own mainframe, the computer soon became an indispensable tool for business research.

The study of information science at the business school was controversial at first. Some felt that the science of programming and computer applications would better be taught in engineering departments. However, others persisted in their view that the

## Business Leader of the Year Award

In 1970, Dean Richard Holton established an annual award to recognize the dedicated efforts of business leaders and alumni on behalf of their business profession, the community, and the Haas School. The Alumnus of the Year Award, recently renamed the Business Leader of the Year Award, has honored the following individuals:

1970	Stephen D. Bechtel, Sr.
1971	William M. Witter
1972	Daniel E. Koshland

1973	Michael N. Chetkovich BS 39, MBA 40
1974	E.T. Grether, MA 23, Ph.D. 24
1975	William Burns, Sr.
1982	James Harvey, BS 56, MBA 63
1983	Robert Lutz, BS 61, MBA 62
1984	Leo B. Helzel, MBA 68
1985	Steven V. White, BS 51
1986	Donald Fisher, BS 50
1987	Theodore J. Saenger, BS 51
1988	W. Michael Blumenthal, BS 51

1989	Clarence W. Houghton, BS 60
1991	Gerson Bakar, BS 48
1992	Paul H. Stephens, BS 67, MBA 69
1993	William F. Cronk, BS 65
1994	Richard C. Blum, BS 58, MBA 59
1994	Eugene Trefethen, BA 30 (Lifetime Achievement Award)
1995	Paul M. Hazen, MBA 64
1996	Thomas W. Tusher, BA 63
1997	Richard A. Clarke, BA 52, JD 55



Dean Cowee (left) and Associate Dean Votaw (right) awarding the Department Citation to student James Simon.



Professor Fred Balderston, after serving as director of the Center for Research in Management Science, became California Savings and Loan Commissioner and was appointed chairman of the California State Committee on Public Education in the 60s. In the 70s, he served as the university vice president of business and finance system-wide and as vice president for planning and analysis.

effect of information technology was too important to the study and practice of management to be left solely to engineers.

In 1965, Dean Cowee asked Richard Holton to lead in the design of an international business curriculum. In the 1960s, an international course on foreign exchange was the only one offered that related to international business. This course was taught by Choh-Ming Li, MA 33, Ph.D. 36, a Chinese expatriate, who in 1969 took leave from the school to move to Hong Kong, where he served as the founding vice chancellor of the Chinese University of Hong Kong.

Holton, who had just returned from his Washington post as assistant secretary for economic affairs in the US Department of Commerce, introduced courses in international management, international marketing, and international finance. The strong presence of international students in the classroom further enriched the experience for students. After some years, students started to take the initiative for their own international development. In 1981, ten MBAs organized the first trip to China, a forerunner of the annual Pacific Rim trip. Other study trips have gone to Europe, Latin America, and Southern Africa. Abroad, students meet with managers and alumni and take company tours to learn about business strategy and development in different cultures.

In 1967, Holton became the school's eighth dean and served until 1975. During his tenure, Holton established new links to the business community and expanded his international, educational, and profes-

sional outreach programs, starting with the joint business and law degree (JD/MBA) in 1968.

Business education after World War II had experienced a significant shift from teaching what was practiced in industry to creating and passing on new knowledge to business practitioners. Holton worked closely with the school's advisory council in an effort to create ties to the business community that would facilitate such a knowledge transfer.

Holton also strengthened the school's academic disciplines. In 1968, he hired David Aaker, who has become an international authority on brand management, to join the marketing group. That same year, the school launched the Professional Accounting Program (PAP) with support from major accounting firms, and the Berkeley Program in Finance began in 1970 with support from the Dean Witter Foundation. Both programs proved highly successful.

Also in 1970, Holton initiated a course in Entrepreneurship and Business Development. The curriculum at Berkeley and at other business schools emphasized student preparation for careers with Fortune 500 companies. Yet California's economic growth since the gold rush had been fueled by surges of entrepreneurial activity in such areas as oil and gas, agriculture, movies, and technology. Holton recruited Leo Helzel, MBA 68, who had participated in successfully launching many enterprises, to teach the course. For many years, Holton and Helzel team-taught the course, one of the first courses in entrepreneurship in the country.

In 1972, after extensive study by the faculty, the school initiated an evening MBA program to meet the needs of working adults who were unable to put their careers on hold to attend daytime classes on campus. From the beginning, the program differentiated itself from other part-time or evening programs in the country in that its students had to have passed the same stringent admissions criteria required for the day-time MBA program and were taught by the same faculty. The school also adjusted its faculty's teaching load to incorporate evening courses, which resulted in the same professional dedication for both programs. Evening courses were held in downtown San Francisco until the school's move into the new Haas building on the Berkeley campus in 1995.



Left: In 1964, the School of Business Administration moved into Barrows Hall.

# The Haas School of Business in the Making

1976-1990

*During the late 1970s and early 1980s, Ronald Reagan replaced Jimmy Carter in the White House, and George Deukmejian succeeded Jerry Brown as California governor. The decline in state support for higher education, which began when Reagan was governor and continued under Brown's administration, was halted during Deukmejian's term of office in the early 1980s. But when the California economy dropped into a recession, budget pressures grew and private sources of support became increasingly important if the school was to maintain its excellence.*



An early model for the new Haas School of Business

Leading the school during this transitional period was Earl F. Cheit, who from 1976 to 1982 served as the school's ninth dean. Cheit's goals as dean were to strengthen the school's identity as a professional school in a research university, to move the school toward more aggressive placement of its graduates, to promote outstanding teaching and undergraduate education, and to build better relations with alumni and the professional community.

To give the business school a more cohesive identity as a professional school, a new building was essential, Cheit concluded. The school had outgrown its space in Barrows Hall, and student services were inadequate. The school lacked its own library, and undergraduate classes and research programs were scattered all over campus. The business school was the only professional school on campus without its own building.

In 1976, Cheit met with Walter Haas Sr. and his two sons, Peter and Walter Jr., to discuss the idea of a new building. Haas supported the idea, but recognized that planning and fundraising for this project would take years of effort. In the meantime, he offered a gift in support of two of Cheit's other goals: an increase in the number of endowed professorships and the opening of a new career planning and placement center for business school graduates. Cheit continued to work

The average percentage of international MBA students at Haas:



toward a new building for the school with help from Professor Fred Morrissey. Morrissey, who had served on the Public Utilities Commission in the late 60s, chaired an internal committee for concept, planning, and design needs.

At this time, the school urgently needed to increase the number of endowed professorships. Apart from the Flood Research Chair in Business Administration, established by Cora Jane Flood's initial gift in 1898, the school had only one other chair, the California State Chair in Real Estate and Urban Economics.

Budget cuts had made it increasingly difficult for the school to recruit and retain top faculty members, particularly in the fields of accounting and finance. Cheit lobbied the university successfully to implement an increased salary scale for business faculty, and also recruited an annual fund council and launched the school's first annual campaign, led by Clarence Houghton, BS 60. Part of Walter Haas Sr.'s gift helped to establish the E.T. Grether Chair in Marketing and Public Policy in 1981, the school's first endowed chair to be named for a faculty member. Fittingly, this honor went to Grether, long-time friend of Haas. In all, the school established seven new chairs and filled several important faculty slots by hiring Stephen Penman for accounting, Barry Staw and Glenn Carroll

Opposite page:

In 1980, the business school initiated a joint Management of Technology (MOT) program with the College of Engineering to educate business and engineering students together on technology management issues. MOT faculty Fred Balderston, Sara Beckman, David Teece, David Mowery, and David Dornfeld (engineering) inspect the mechanics of a robot.







**P**aul Stephens, BS 67, MBA 69, is one of several industry leaders teaching MBA elective courses at the Haas School. Stephens, who is a managing partner of Robertson Stephens Investment Management, has been teaching the elective on Investment Styles and Strategies since 1990. Stephens is the 1992 Business Leader of the Year and a current member and former chair of the school's advisory board.

*Right: Dean Emeritus Earl F. Cheit was a dedicated teacher.*

for organizational behavior and industrial relations, and Kenneth Rosen for real estate during Cheit's term as dean.

Back at Barrows, Cheit pursued his second goal – better career services for business school graduates – by moving the Center for Research in Management Lab out of the lower level to make room for a new Career Planning and Placement Center, which was partially supported by the remainder of Haas's gift. For the first time, the school had its own center to help undergraduates and MBAs, and eventually alumni, with career planning and placement.

Cheit's third goal – outstanding teaching by business faculty – was a natural outgrowth of his continuing commitment to the school's undergraduate program. Earlier, the school debated whether it should continue undergraduate business education or follow the national trend toward awarding only graduate degrees. Cheit argued for retaining the undergraduate business degree program, because of the university's land-grant mission. The undergraduate program offered upward social mobility to students from lower-income families. Retaining the undergraduate program allowed Berkeley to "back into the vanguard" (as Cheit later put it), when the trend among liberal arts colleges moved toward providing pre-professional education in a liberal arts setting.

Under Holton, the business school had become the first school on the campus to make extensive use of student ratings of professors' teaching. Cheit established awards for outstanding teaching to faculty selected and presented by students. The first award was presented in 1976 to Andrew Shogan, now associate dean for instruction. In 1982, when Cheit concluded his term as dean, the school, on student initiative, renamed the awards the Cheit Outstanding Teaching Awards.

Cheit's fourth goal, to strengthen relations with the larger business

community and expand learning opportunities for students, led to the establishment of the Learning Partnership program in 1979, with Kaiser Aluminum & Chemical Corporation as the inaugural corporate partner. Raymond Miles, in cooperation with Cornell Maier, CEO of Kaiser Industries, designed and led the initial program, which gave students and faculty the opportunity to observe and participate in high-level board and management planning meetings at Kaiser. Kaiser executives made themselves available as mentors and school resources. The program served as a model for learning partnerships with other corporations and, in 1980, won the Exxon Award from the American Assembly of Collegiate Schools of Business for most innovative program in graduate business education.

To promote student awareness of business ethics, the school in 1980 launched the annual Haas Competition in Business and Social Policy. Funded by a gift from the Evelyn and Walter Haas Jr.



## Endowed chairs at the Haas School

1898 Flood Research Chair in Business Administration, John Harsanyi, Emeritus  
1973 California State Chair in Real Estate and Urban Economics, Kenneth Rosen  
1977 Willis H. Booth Chair in Banking and Finance, David Pyle, Emeritus  
1977 Sylvan C. Coleman Chair in Finance and Accounting, Nils Hakansson  
1978 Michael N. Chetkovich Chair in Accounting, Stefan Reichelstein

1980 L.H. Penny Chair in Accounting, Stephen H. Penman  
1981 E.T. Grether Chair in Marketing and Public Policy, David A. Aaker  
1981 J. Gary Shansby Chair in Marketing Strategy, Russell Winer  
1982 Transamerica Chair in Business Strategy, Carl Shapiro  
1984 Emile R. Niemela Chair in Accounting

1985 Edgar F. Kaiser Chair in Business Administration, Oliver Williamson  
1985 Lorraine Tyson Mitchell Chair in Leadership and Communications, Barry Staw  
1986 Leo B. and Florence Helzel Chair in Entrepreneurship and Innovation, John Freeman  
1986 Arno Rayner Chair in Finance and Management, Hayne Leland

1986 Bernard T. Rocca Jr. Chair in International Business and Trade, Janet L. Yellen  
1988 William D. Crawford Chair in Taxation and Accounting  
1988 Mitsubishi Bank Chair in International Business and Finance, David Teece  
1989 Harold Furst Chair in Management Philosophy and Values, Benjamin Hermalin  
1989 George Quist Chair in Business Ethics, David Vogel





Foundation, the Haas Competition offers MBA students an opportunity to demonstrate problem-solving skills through both written and oral competitions on a different social policy question each year. Finalists meet at the Levi Strauss & Co. headquarters in San Francisco to compete in front of a jury of faculty and industry representatives.

When Raymond Miles was selected as the school's tenth dean in 1983, he saw major tasks before him for which he would need additional support, particularly expanding the base of external funding and the school's academic potential. Together with Mike Chetkovich, BS 39, MS 40, chairman of Deloitte Haskins + Sells International, who had been serving as an adviser to the dean since 1979, Miles increased outreach to alumni, and, in 1990, he hired the school's first full-time alumni relations director. At the same time, Miles increased the size of the advisory board from 25 to 40 members. He recruited business executives from across the nation, including individuals who had no prior ties to the university.

As the campus prepared for its first major capital campaign, the long-dreamed-of possibility of a new building that would bring together all the school's activities and provide space for classrooms, a library, a computer center, and a career planning and placement center gained momentum. Miles and the advisory board successfully pressed the need for including the school's building in the campaign. The expanded alumni network and advisory board became crucial elements in securing the site, design, and fundraising capability for the project.

Two potential sites for the new complex were identified: one next to Boalt Hall and Wurster Hall, and the other occupied by aging Cowell Hospital (the site eventually chosen). When the campus began the Capital Campaign in 1987 under Ted Saenger, BS

51, Miles launched the school's building campaign, chaired by Steven V. White, BS 51, to raise the entire cost of the building, initially estimated at \$36 million, from private donors. The first major gift came in 1987 from Wells Fargo Bank.

Crucial support for a new building came from Kaiser executive Eugene E. Trefethen Jr., BA 30, a key member of the advisory board. When White died suddenly after the campaign had been launched, Stephen B. Herrick, BS 60, took his place as campaign chair, and continued fundraising efforts with staunch support from Eugene Trefethen and Thomas Tusher, BA 63, and many others.

The architectural firm of Moore Ruble Yudell in Santa Monica was selected to design the new home for the school. The school would turn out to be the last major project of architect Charles W. Moore, former chair of Berkeley's Department of Architecture, who died in December 1993, shortly after construction began. Responding to Miles' charge to the architects to "design a school as a place that creates community and serves as a gateway to the campus and a bridge to the business community," Moore Ruble Yudell also designed a uniquely participatory design process. Working with Fred Balderston, who led the school's planning and design committee, Moore Ruble Yudell conducted a series of focus groups involving faculty, students, staff, and alumni. A consensus of the design requirements for the new building soon emerged.

In the East Bay Outreach Project, instructors like Linda Harrison (left) and student mentors teach high school entrepreneurs how to write business plans and compete for venture funding. Brandon Franklin (right) won an award for his plan for his advertising company for small entrepreneurial firms in Oakland, called Inner City Expressions.

1989	Chair in Real Estate Development, Robert H. Edelstein
1990	Edward J. and Mollie Arnold Chair in Business Administration, Michael Katz
1990	Lorraine Tyson Mitchell Chair in Leadership and Communications II, Robert Cole
1990	Eugene E. and Catherine M. Trefethen Chair in Business Administration, Raymond E. Miles, Emeritus
1991	Paul H. Stephens Chair in Applied Investment Analysis, Mark Rubinstein

1994	Joe Shoong Chair in International Business, Pablo Spiller
1996	Henry J. Kaiser Chair in Organized Health Systems
1997	Donald H. and Ruth F. Seiler Chair in Public Accounting
1997	Milton W. Terrill Chair in Business, David C. Mowery
1997	Thomas W. Tusher Chair in Global Business

#### Distinguished Professorships

1996	NEC Distinguished Professorship (joint with the College of Engineering), Chang-Lin Tien
1997	Paul J. Cortese Distinguished Professorship in Management, Glenn Carroll
1997	Xerox Distinguished Professorship in Knowledge, Ikujiro Nonaka

#### Professorships Pending University Approval

Warren E. "Ned" and Carol Spieker Chair in Leadership
Kruttschnitt Chair in Financial Institutions
William Halford Jr. Chair in Business Administration
S. Victor and Leta Nelson Chair in Business Administration



After graduating from Cal, Stephanie DiMarco, BS 79, went to work in the investment industry as a portfolio analyst. Four years later, with capital borrowed from a friend, DiMarco and a programmer colleague founded Advent Software. "When I started my own company, I wanted to like my job – at least on balance," said DiMarco. Advent Software was profitable from its first year and soon became the leading developer of financial management software for the PC.

DiMarco's success as a female entrepreneur and CEO has led to frequent speaking engagements. At the Haas School, she participated in the 1995 building dedication, and spoke at the Lester Center's Entrepreneurs Forum and at the student-organized 1997 Women In Leadership conference.

To create this sense of community, Moore and his colleagues envisioned a complex of three interconnected buildings, set around a central courtyard to create village-like spaces surrounding a central "town square." Two large arches at each end of the complex would welcome visitors and symbolize the school's connections to the outside world and to the campus. The focal point of the interior would be the large forum – a central gathering place for informal meetings and public events.

With the campaign under way and a compelling design in place, Cheit and Trefethen approached the trustees of the Walter and Elise Haas Fund, Walter A. Haas Jr., BA 37, Peter Haas, BA 40, and Rhoda Haas Goldman, BA 46, following the death of their father, Walter A. Haas Sr., in 1979. The Haas family made the cornerstone contribution for the campaign to raise the money for the new complex in 1989. The Haas family's gift, then the largest in the history of the Berkeley campus, prompted the university to rename the business school in honor of their father. "Our family has always been devoted to Berkeley, no one more so than our late father. He would be most pleased to know that his family is continuing his legacy of support to the university he so dearly loved," said Goldman in 1989.

While the building efforts were under way, Miles concentrated on expanding the size and the quality of the school's faculty. He successfully secured several endowed chairs for the school's senior faculty and simultaneously recruited outstanding faculty from other schools, including Oliver Williamson, author of the pathbreaking book *Markets and Hierarchies*, Michael Katz, Carl Shapiro, Stephan Reichelstein, Russell Winer, James Lincoln, Robert Cole, and many others. In all, 22 of the school's current tenured faculty were recruited during this period. By the time Miles stepped down as dean in 1990, the school had doubled its number of endowed chairs to 24, then about a fifth of the Berkeley campus total.

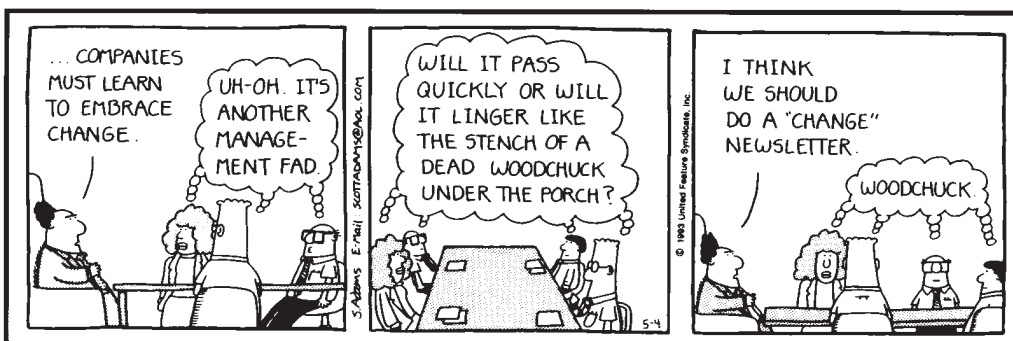
One of Miles' initial goals was to advance the field of manage-

ment education. The school's faculty was producing a growing body of interdisciplinary research, which he wanted to bring to bear on modern management education and practice.

In 1985, Miles announced the creation of a new series of programs, each focused on a problem area that cut across traditional fields of business and the social sciences to stimulate interaction with business and government experts. *The Program in Organizational Strategy* was designed to focus several disciplines' research on strategic decisions that organizational managers have to make. *The Program in Entrepreneurship and Innovation* focused on the process of developing a business plan and the broader issues of how technological and economic innovation is stimulated or retarded. *The Program in International Competitiveness* focused on the need for new strategies to maintain US competitiveness in a rapidly changing global economy. In these programs, Miles sought to articulate the business school's unique interdisciplinary heritage and blending of research and application, which he described as theory-based professional practice.

In order to strengthen the school's offerings in operations management, Miles initiated discussions with the College of Engineering about a joint curriculum. These discussions eventually led to the establishment of Berkeley's new joint program in the Management of Technology in 1988, focusing on the management of high-technology systems.

Miles also sought to broaden the school's international curriculum. He established a new nine-member faculty group in international business, headed by former Dean Richard Holton. This effort was influenced in part by a growing awareness of the international competition faced by American firms, especially from East Asia. In related efforts, the school set up an interdisciplinary program leading to a joint MBA/MA in Asian Studies in 1987. In the



Scott Adams, MBA 86, who attended the evening MBA program, was inspired to write his Dilbert comic strips by his own experience working in large organizations. He continues to draw inspiration from the many e-mail messages he receives from his fans every day.

same year, the Berkeley Program in Finance expanded to Asia.

In addition to offering international opportunities to faculty and students, the business school also has provided an education to many international students before they launched successful careers in their homelands. International alumni recently in the news include Rodrigo Rato, MBA 74, who returned to a political career in Spain and today serves as vice president and minister of finance; Jorge Montoya, MBA 71, president of Procter & Gamble Latin America; Peter Kwok, MA 79, MBA 80, Ph.D. 81, chairman of The Ka Wah Bank in Hong Kong; and Laura Flores, MBA 95, who became vice minister of commerce and industry in Panama in 1997.

Recognizing that the school also needed to broaden the pool of minority applicants to the MBA program, Miles challenged the school's alumni network in 1984 to help generate an attractive summer internship for every interested minority MBA student. The program supplemented the career center's efforts to develop internship opportunities for every MBA student. The outreach efforts paid off; in the following year, the school had the highest overall percentage of MBA minority enrollment among the 10 schools in the Council for Opportunities in Graduate Management Education.



Community outreach and nonprofit management, long areas of student interest, were strengthened substantially in 1990 by two large foundation grants and other major gifts. The East Bay Outreach Project (EBOP), initially funded by the Foundations of the Milken Families, was designed to strengthen the relationship between the Haas School and nearby economically disadvantaged communities. Now in its seventh year, EBOP teaches local minority business owners, aspiring business owners, and enterprising teenagers skills such as how to write a business plan. Simultaneously, undergraduate and MBA student mentors learn about the local community and what it takes to make a business succeed in a disadvantaged neighborhood.

The Haas School's Public and Nonprofit Management Program gained momentum in 1990 with a grant from the Columbia Foundation. With this initial grant and subsequent funding from the Wallace Alexander Gerbode Foundation, the program was able to hire staff and develop internship opportunities for Haas MBA students.

In 1990, the school began a dean's search for a successor to Miles. Cheit served as acting dean (1990-91) and dedicated himself to continued fundraising for the new building – the culmination of a 20-year dream.

In 1989, the children of Walter Haas Sr. – Peter Haas, Rhoda Haas Goldman, and Walter Haas Jr. (left to right) – made the cornerstone gift for the new building. The school subsequently was renamed the Walter A. Haas School of Business.



Steven White, BS 51, chair of the building campaign, and Dean Miles present an early building model.



# Building for the Future



William A. Hasler, who served as dean of the school from 1991 to 1998, was the first dean to come from private industry.

Opposite page:  
The new Haas School of Business complex was dedicated in May of 1995.

## 1991 Onward

*William A. Hasler, most recently vice chairman of consulting for the firm KPMG Peat Marwick, became the school's eleventh dean in 1991. Hasler was the first Haas dean to come directly from the corporate world, bringing with him a sense of professionalism that helped guide the school's programs and services in meeting the needs of management practitioners.*

Hasler faced two major challenges in 1991. The first was to make the long-awaited new home for the Haas School a reality. This necessitated raising over \$30 million (the budget was now \$55 million); obtaining necessary agreements to clear the site, complete planning and begin construction; and working with the campus to ensure that construction was completed within time and budget constraints. This mission was accomplished over the next three years with support from the entire Haas School community. Hasler led the successful fund-raising effort with notable support from a "cabinet" of Gene Trefethen and former deans Holton, Miles, and Cheit.

As part of the effort, the Haas family made a second major contribution in 1992, requesting that the classroom wing be named Cheit Hall in honor of the former dean, to recognize his "devotion to the university and his service to the business school and to this project." Other cornerstone gifts included the Thomas J. Long Business and Economics Library in the student services wing (uniting collections formerly distributed among three campus sites), the Gerson and Barbara Bakar Computer Center, the Michael N. Chetkovich Career Center, and the Eugene and Catherine Trefethen Dean's Suite.

Construction of the Haas School complex began in 1992. Cowell Hospital, which had been found to be seismically unsound, was demolished to clear the site for the new business school building, and University Health Services, formerly in Cowell, were relocated to the newly-built Tang Center on Bancroft Way. Once the Tang Center was completed, the busi-

*Total of undergraduate, MBA, and Ph.D. alumni as of Jan. 1998:*

Undergraduate:	21,373
Graduate:	10,739
Ph.D.:	448

ness school was able to break ground for its new complex.

Hasler's second challenge was to further enhance academic, instructional, and outreach programs. With input from alumni, students, and business friends, Hasler worked with the faculty to develop a strategic plan, *Vision 2000*, to maintain the school's academic and research

excellence while strengthening professional programs, teaching, and outreach. The goal was to ensure that, by the year 2000, the school would be recognized as a preeminent, professional school of business.

Hasler's ability to implement this vision was threatened by a California recession and resulting decline of state support for the university. The state portion of the Haas School budget decreased from 67 percent in 1991 to 40 percent in 1997. Through a combination of increased program fees, entrepreneurial initiatives such as expanded executive education offerings, and enlarged annual fund and endowment development programs, the school was able to replace reduced state funds while also funding most of the planned initiatives and improvements.

Due to the recession, the university started offering early retirement programs to faculty and staff as a budget reduction device. One fourth of the Haas faculty retired under these programs. At the same time, faculty salaries at the school fell substantially below levels at competing premier schools of business. With support from the advisory board, alumni, and friends, the school was able to overcome this predicament as well. It successfully recruited outstanding senior and junior faculty to replace its







**K**athleen Correia, BS 76, originally studied veterinary medicine at UC Davis. "I took a course in accounting and did very well," she said, "so I decided to transfer to Berkeley for my last two years in accounting."

In 1984, Correia founded Accounting Solutions, a Bay Area consulting firm specializing in accounting, finance, and systems. With 200 employees, the firm provides high-quality professionals to a broad range of industries. As president of Cal Business Alumni in 1992/93, Correia emphasized building relationships between Haas alumni and students: "Alumni have a responsibility back to the school and the students. Students should have the feeling that alumni are looking out for them."

Correia has served on the Haas School Development Council and Advisory Board, and is a trustee for the UC Berkeley Foundation.

retirement losses, and Hasler reached a solution with the campus to the faculty salary program that permitted more competitive compensation levels, partially funded by the school.

At the same time Hasler was facing these funding challenges, the school adopted and implemented a number of new initiatives in the areas of curriculum, student services, faculty support, professional outreach, staff organization, and development and alumni relations.

One of these initiatives was the decision to establish three interdisciplinary areas of emphasis by which to build the future reputation of the school: entrepreneurship and innovation, international management, and management of technology. The plan called for added resources and increased emphasis in these three areas, which Hasler considered critical to the nation's competitive future and to future business needs in a global marketplace. For each area of emphasis, the school would seek dedicated faculty resources, significantly expand the existing curriculum, and establish centers and programs for interaction by faculty and students with business professionals. The model was the existing real estate program.

The Center for Real Estate and Urban Economics, launched in 1950, was revitalized during the 80s by Kenneth T. Rosen, chairman of the center since 1979 and California State Professor in Real Estate and Urban Economics, with support from Gerson Bakar, BS 48, chairman of Gerson Bakar & Associates and founding member of the center's new policy advisory board. Professor of Real Estate Development Robert H. Edelstein who joined the center in 1985, and Professor Dwight Jaffee, who joined in 1991, served as co-chairs.

The center, which would be renamed the Fisher Center for Real Estate and Urban Economics in 1995 following a gift by Doris and Donald Fisher, offers

one of the top-ranked real estate programs in the nation.

The first new strategic center in Hasler's initiative was the Lester Center for Entrepreneurship and Innovation, established with a gift from Howard Lester, chairman and CEO of Williams-Sonoma, in 1991. The Lester Center sponsors a variety of activities, including the Berkeley Entrepreneurs Forum and the Partners for Entrepreneurial Leadership (PEL). The Berkeley Entrepreneurs Forum combines industry panels and speeches on entrepreneurial topics with extensive networking sessions for the Bay Area community, as well as for faculty, students, and alumni. PEL is a student club that matches students with internships at young high-growth companies. The Lester Center also sponsors faculty research and appoints successful local entrepreneurs as Fellows in Entrepreneurship to serve as mentors to MBA student project teams.

Berkeley counted many entrepreneurs among its alumni, and entrepreneurial students had been coming to Berkeley in growing numbers for more than 20 years, initially because it featured one of the nation's earliest "Entrepreneurship and Business Development" courses. But with entrepreneurship promoted as one of the school's defining themes, the school became a leader in the field in the 1990s. Being located in the Bay Area, a region known as a hothouse of entrepreneurial activity, made the focus a natural one for the school. The recruitment of John Freeman to the school as the Leo B. and Florence Helzel Professor in Entrepreneurship and Innovation in 1993 provided the faculty leadership to expand curriculum and center activities.

Recognizing that the growing globalization of the marketplace



At the 1997 Faculty Alumni Colloquium, 1996 MBA entrepreneurs Steve Sellers and John Hanke of Archetype, Jed Katz of Rent Net, André Marquis of Cybergold, Trevor Traina of CompareNet, Kevin Brown of Inktomi, and Steve Markowitz of Intellipost (left to right) shared their business experience with faculty and alumni.



makes study of global business practices, cross-cultural experience, and language skills more important to business leaders than ever before, the school began offering a certificate in global management. The Clausen Center for International Business and Policy, established in 1995 with a gift from A. W. “Tom” Clausen, retired chairman and CEO of BankAmerica Corporation and former president of the World Bank, and his wife Peggy, supports the school’s international focus by providing research grants to faculty, hosting international visitors, and sponsoring conferences and student-initiated seminars. The center’s founding faculty director and associate director are Andrew Rose and Richard Lyons, respectively.

Haas also offers student exchange partnerships with thirteen leading business schools in Western Europe, Asia, and Latin America, offering students the opportunity to study abroad and possibly to participate in an international internship experience. Haas started offering a flagship course in International Business Development for MBAs in 1992. The course assigns student teams to three-week real-world consulting projects in foreign countries, mostly in developing economies, followed by a report and recommendation to the sponsoring business. Clients have included Levi Strauss & Co. in Russia, Indonesia, and India; Motorola in Indonesia, Malaysia, and Vietnam; and a rug manufacturing collective in Tibet.

A new opportunity for building international relationships arose in the early 1990s as a result of the breakup of the Soviet Union. With

the help of an endowment from Claire Goedinghaus and the initiative of David Teece, Mitsubishi Bank Professor for International Business and Finance, and Al Fishlow, dean of International Area Studies, the Haas School helped to set up the first university-based business school in Russia, the State University of St. Petersburg School of Management. More than a dozen Haas professors offered to teach courses at the new school, which opened in fall 1993 with 60 students, in an effort to promote peaceful change and encourage the growth of modern economic enterprise in Russia.

On the other side of the world, the Hong Kong University of Science and Technology (HKUST) opened in 1991. The new university’s School of Business and Management soon recruited seven Cal alumni for its faculty, including the school’s dean, Yuk-Shee Chan, MBA 76, MA 81, Ph.D. 82, and associate dean, Leonard Cheng, Ph.D. 80 in economics. Like its counterpart in St. Petersburg, HKUST turned to the University of California for advice and expertise in the early planning stages.

The explosion in the development of electronics, computers, and the Internet had a major impact on education at the Haas School in the 1990s. Ten years earlier, the Internet was used primarily by government and educational institutions, and the World Wide Web had not even been invented. In 1986, only 6 percent of the school’s MBA graduates chose positions in the computer industry. By 1992, the computer industry had become the top recruiter of Berkeley MBAs; 17 percent of the graduates indicated they intended to pursue some aspect of management of technology. In 1997, 33 percent of graduates pursued careers in high technology, many capitalizing on the Management of Technology program established in 1988 jointly with the College of Engineering.

The Fisher Center for Management & Information Technology, endowed in 1994 with a gift from Doris and Donald Fisher, became the hub of research and teaching in the area of management of information technology at the Haas School. Faculty, research fellows, and



To celebrate the 20th anniversary of Professor Oliver Williamson’s path-breaking book, *Markets and Hierarchies*, the Haas School hosted a conference on the subject in 1995.





In 1995, Laura D'Andrea Tyson became the first woman to serve as top economic advisor to a US president when she was appointed chair of the National Economic Council.



Janet Yellen, Bernard T. Rocca Professor of International Trade, served as a governor on the Federal Reserve Board before she was named chair of the Council of Economic Advisors, the position previously held by Tyson, in 1997.

visiting industry leaders conduct research and share information on the impact of information technology on today's organizations, with a particular emphasis on the business implications of the Internet and electronic commerce. The center organizes a biennial conference on pressing IT issues, such as attracting and retaining IT talent and the Year 2000 problem.

Both the Fisher Center for Management & Information Technology and the Lester Center for Entrepreneurship and Innovation, as well as the St. Petersburg partnership are part of the Institute for Management, Innovation, and Organization, which developed from the Center for Research in Management Science. The center became an institute in 1994 to reach beyond Haas and facilitate interdisciplinary research and outreach programs across department lines within the university. Under the guidance of David Teece, who has served as its director since 1983, the institute has significantly expanded its centers and research activities.

Continuing a tradition of government service, a record number of Haas faculty received invitations to Washington, DC, in the 90s. Following his election in 1992, President Clinton selected Laura D'Andrea Tyson, Class of 1939 Professor, to chair the Council of Economic Advisors. In 1995, Clinton appointed Tyson to head the National Economic Council, where she served until January 1997. In this Cabinet-level position, Tyson was the first woman to serve as top economic advisor to a president. In 1994, Clinton also appointed Janet Yellen, Bernard T. Rocca Professor of International Trade, to a 14-year term on the Federal Reserve Board of Governors, which she cut short in 1997 when Clinton named her the new chair of the Council of Economic Advisors, the position previously held by Tyson.

In 1995, Michael Katz, Edward J. and Mollie Arnold Professor of Business

Administration, was named chief economist at the Federal Communications Commission (FCC), and Carl Shapiro, Transamerica Professor in Business Strategy, joined his Washington colleagues as assistant attorney general for antitrust. At the time, David Levine was serving as a senior economist on the staff of the President's Council of Economic Advisors, a position previously held by Jonathan Leonard in 1989.

The Haas School and university community celebrated in October 1994, when John Harsanyi won the Nobel Prize in economics (along with John Nash from Princeton University and Reinhard Selten from Bonn, Germany) for his pioneering work in game theory, a mathematical model of human behavior that analyzes how people make decisions in competitive situations such as bidding or bargaining. Harsanyi built his theory on John Nash's earlier work, in which all games come to an equilibrium when the participants pursue their best possible strategies in light of what the others are doing, given that all players have complete information. Harsanyi expanded on this model by offering a more realistic one in which participants do not have all the information about their opponents. Game theory has become a significant tool for analyzing real-life conflicts such as labor negotiations, international political conflict, price wars, and federal auctions.



On October 11, 1994, Haas Professor John Harsanyi woke to the news that he had won the Nobel Prize in economics (together with John Nash from Princeton and Reinhard Selten from Bonn, Germany) for his pioneering work in game theory. Harsanyi fled the communist regime of Hungary in 1950, eventually coming to California, where he received his Ph.D. at Stanford. He taught at Berkeley from 1964 until his retirement in 1990, when he received the Berkeley Citation at a conference held in his honor.



In January 1995, the Haas community finally moved into its new home. For the first time, the school had a facility specifically designed for management education that brought together under one roof activities previously scattered over several campus locations. “This complex is a teaching and research school of the future with long-overdue, modern facilities to match the cutting-edge business education for which the Haas School is known,” said Berkeley Chancellor Chang-Lin Tien at the dedication ceremony of the \$55 million complex in May 1995. The new facility was financed entirely by private donations – in all by more than 2,000 alumni and friends of the Haas School. “The new building is a central element of our strategy,” said Hasler. “It allows us to do things that were difficult or even impossible before. It also gives the school an identity and a visible presence that helps to link the university and the business community.”

With the move into the new building, Hasler was able to improve the quality of the school’s student services. While he had started to expand the career placement and computer centers while still in Barrows, it wasn’t until the new building that the school was able to provide the kind of professional services students expected. The school’s Andersen Auditorium, Bank of America Forum, Wells Fargo Room, and Helzel Boardroom all provide wonderful facilities for alumni events, conferences, and executive education programs.

The technological features of the new building inspired new ventures at all levels of the school. New video-conferencing capability brought industry executives into the classrooms and enabled off-site job interviews without the need for travel. Students posted Web sites to promote their resumes or club activities. The administration developed an award-winning Haas Web site to market the school to potential recruiters, students, and faculty, as well as to post important information to the community.

The available communications technology and well-equipped computer lab provide a new outlet for the creativity of Haas students. In 1996 – one year after the dedication of the building – fifteen Haas graduates started their own Internet businesses before they received their diplomas. John Freeman set out to encourage further entrepre-



neurship among students when, in fall 1997, he opened the Berkeley Business Incubator. This nonprofit organization, located less than a block from campus, provides workstations, a business address, and entrepreneurial advice from members of its advisory board.

Hasler’s focus on strengthening the alumni network had a dramatic effect. Thanks to the new building, the school for the first time was able to host academic conferences, executive development sessions, and alumni and student events in its own facilities. The number of volunteers, serving on Haas boards ranging from the Public Accounting Program to various centers to the dramatically expanded number of domestic and overseas alumni chapters, grew beyond 350 individuals. Starting in 1994, annual international symposia in Asia or Europe enhanced outreach to the school’s international alumni. In 1997, a major initiative was taken to expand the number of active alumni by eliminating dues for alumni association membership and offering a new array of services including Internet resources for all alumni.

The increased services, outreach, and visibility of the school also raised the attractiveness and demand for the school’s degree programs. MBA applications nearly doubled from 2,096 in 1994 to 4,000 in 1997. In 1997, the Haas MBA program was one of the three most selective in the United States. And rankings of all the school’s degree programs reached the top ten, as did the Berkeley Center for Executive Development.

Dean William A. Hasler  
and Rhoda Haas  
Goldman cut the ribbon,  
dedicating the new Haas  
School of Business.



Despite the distance, Robert Lutz, BS 61, MBA 62, vice chairman of Chrysler Corporation, continues to participate in the Haas community. He spoke at the 1980 commencement ceremonies; in 1993 he stunned his audience when he arrived for his Faculty Alumni Colloquium speech in a brand-new Dodge Viper; and in 1997, his speech on redesigning cars and companies opened the Organizational Futures by Design conference. Lutz was 1983 Alumnus of the Year and serves on the Haas School Advisory Board.

To cope with the deluge in applications for admission to the MBA program, the school invited MBA alumni to help conduct applicant interviews. The school also continued its efforts to recruit a diverse student body. In 1994, it joined the Consortium for Graduate Study in Management, an alliance of eleven graduate business schools that seeks to make prospective minority applicants aware of the educational and professional opportunities available to them through member schools. These outreach efforts became all the more important after the UC Regents adopted SP-1 in July 1995 and California voters passed Proposition 209 in November 1996, effectively ending affirmative action in admission decisions for all university degree programs. To maintain diversity in light of the changes mandated by SP-1 and Proposition 209, the school appealed to alumni for help in encouraging qualified applicants to consider Haas.

Increased outreach also substantially strengthened the school's fundraising and endowment. During Hasler's tenure, the school's endowment more than doubled to \$73 million and the annual fund doubled. Twelve more endowed chairs and distinguished professorships were added to the 24 in place in 1991. By the end of 1997, the school had already reached 70 percent of its \$75 million Campaign 2001 goal to build the school's faculty and program support.

In 1997, Rudolph Peterson, BS 25, provided the endowment for a program in business ethics, enabling the school to expand its teaching in ethics and host conferences and seminars on the topic. The program is directed by David Vogel, George Quist



The Haas School's home page at [haas.berkeley.edu](http://haas.berkeley.edu) has won several awards and mentions. According to *Business Week's* special MBA ranking issue of fall 1997, "it easily tops the list of well-composed sites." The home page is a critical tool for faculty and students in receiving course, schedule, and faculty information. It also allows alumni, friends, and visitors to learn about the school's basic programs and latest news and events.

The Haas School building project took near-

ly ten years from the first conversations about potential funding to the completion of the landscaping. The Haas community spent several years gathering input on the needs of the school, holding focus groups, and developing an inspired design to create a new Haas community with architects Moore Ruble Yudell of Santa Monica and VBN of Oakland.

In September 1992, deans Grether, Holton, Cheit, Miles, and Hasler and Chancellor Chang-Lin Tien broke ground, after the demolition of Cowell Hospital had cleared the site for the new Haas School building. General contractor Hensel Phelps, working with Don Todd & Associates, campus planners, consulting designers, engineers, subcontractors, and Haas School clients, completed construction of this cascading 200,000 square-foot complex over the course of three years.

The building opened for classes in January of 1995. Staff and faculty moved in over the course of the spring semester, which culminated in the official dedication of the building on May 5, 1995.









**W**. F. "Rick" Cronk, BS 65, is the current chair of the Haas School Advisory Board. When he was a student at Cal, Cronk played on the water polo team and was a member of the Psi Upsilon fraternity. He also was a frequent visitor to an ice cream company with a store on College Avenue.

Twelve years later, Cronk and his former college roommate, Gary Rogers, bought that company, Dreyer's Grand Ice Cream, and transformed it from a local firm into the nation's largest manufacturer and distributor of premium ice cream products.

Cronk has continued to stay involved with the business school, teaching entrepreneurship classes, speaking at the school's 90th anniversary in 1988 and at the 1992 commencement. A member of the advisory board since 1986, Cronk was *Alumnus* of the Year in 1993.

Professor in Business Ethics, who since 1982 has served as the editor of *California Management Review*, where he greatly expanded circulation and resources.

In 1996, with Katz's return from his post at the Federal Communication Commission, the school announced the new Center in Telecommunications and Digital Convergence (CTDC), appointing Katz as director. The center examines issues around telephone service deregulation and the convergence of computers, telephony, television, and Internet services. It hosts two conferences a year that bring together practitioners, regulators, and researchers. The center will soon be followed by the International Center for Institutional and Market Reform to research and advise on deregulation and internationalization issues.

In 1997, the school inaugurated the Center for Financial Engineering and Risk Management, with Jerry Bock as director. In the last decade the financial world has seen an explosion in the mathematical and computational sophistication of the problems encountered in derivatives, risk management, and money management. Building on the school's academic strength in finance, the center plans to work with the financial community in implementing new and effective techniques to solve these problems.

The increasing need to understand organizational effectiveness was the force behind the establishment of another new research center in 1997, the Center for Organization and Human Resources Effectiveness (COHRE). Directed by Raymond Miles and former PG&E president and CEO Richard Clarke, COHRE develops new approaches and managerial strategies to meet the business needs of the quickly changing workplace.

In 1997, Xerox and Xerox Fuji endowed the Distinguished Professorship in Knowledge at the Haas School. The first of its kind

at any major US university, this distinguished professorship was also the school's third in only two years, following the NEC Distinguished Professorship, shared with the College of Engineering, and the Paul J. Cortese Distinguished Professorship in Management. Haas alumnus Ikujiro Nonaka, MBA 68, Ph.D. 72, current dean of the School of Management Science at the Japan Advanced Institute of Science and Technology and former professor at Hitotsubashi University, is the first to hold this chair in knowledge management. Nonaka, one of Japan's foremost authorities on developing and applying the intellectual capital of workers to create and expand business knowledge, is the co-author with Hirotaka Takeuchi, MBA 71, Ph.D. 77, of the business best-seller *The Knowledge-Creating Company*.

Continuing opportunities for knowledge creation and distribution is perhaps the best way to describe the mission of the school. As business becomes more technical, more international, and more entrepreneurial, and education becomes increasingly important, we are reminded of the great vision that launched this institution 100 years ago.

As this history reveals, the school was created in partnership with business professionals and supported by a generous private gift. Throughout the past 100 years, a succession of such partnerships and private support has been instrumental to the school's success. The Haas School community is confident that with the continued partnership and support of its constituents, its excellence and relevance is assured for the next 100 years.

"Being a creative and agile part of a great public research university gives the Haas School of Business a strategic advantage in the competition with the larger, private schools," said current Berkeley Chancellor Robert Berdahl. "Its commitment to excellence, innovation, and diversity in teaching, research, and public service ensure Berkeley's continuing leadership in management education. Its interdisciplinary origin and enduring focus offer a vision of the future of management that emphasizes creative partnerships."

*In 1947, the business school established its first advisory council, chaired by Walter A. Haas Sr. In 1977, this council was renamed the advisory board and refocused to help build the school's professional outreach and fundraising efforts. Since 1977, the following individuals have served as chairs of the school's advisory board:*

1977–80	Leo B. Helzel	1985–87	Calvin Hatch	1991–93	Donald Fisher
1980–83	Eugene E. Trefethen	1987–89	Ted Saenger	1993–95	Paul H. Stephens
1983–85	Steven V. White	1989–91	Thomas W. Tusher	1995–	W. F. "Rick" Cronk





# H A A S

*School of Business*

