

philippine studies

Ateneo de Manila University · Loyola Heights, Quezon City · 1108 Philippines

The Ateneo Debate Over AIM

Raymond F. Bronowicz, S.J.

Philippine Studies vol. 31, no. 1 (1983) 99–108

Copyright © Ateneo de Manila University

Philippine Studies is published by the Ateneo de Manila University. Contents may not be copied or sent via email or other means to multiple sites and posted to a listserv without the copyright holder's written permission. Users may download and print articles for individual, noncommercial use only. However, unless prior permission has been obtained, you may not download an entire issue of a journal, or download multiple copies of articles.

Please contact the publisher for any further use of this work at philstudies@admu.edu.ph.

<http://www.philippinestudies.net>
Fri June 27 13:30:20 2008

The Ateneo Debate Over AIM

RAYMOND F. BRONOWICZ, F.S.C.

In 1968 Ateneo de Manila University and De La Salle College decided to join together to found the Asian Institute of Management (AIM). They envisioned a graduate school of business which would not only be better than those of the founding schools, but also the best in this part of the world.

In doing my doctoral dissertation, "The Asian Institute of Management as an Answer to the Need for Trained Business Managers," I gathered a great deal of interesting information and data concerning Ateneo, De La Salle, and AIM. Some of this information did not find its way into my dissertation; other information had to be briefly summarized. Consequently there is much hitherto unpublished information which may prove of interest to many people.

One of the more interesting aspects of the case uncovered in my research was the reaction of the academic community of Ateneo de Manila University to the proposed merger. It is the purpose of this note to demonstrate that Ateneo de Manila did not rush into this venture blindly or impetuously. It agreed to be co-founder of AIM only after long months of soul searching, doubt, and debate.

PHASE ONE: ATENEO'S APPREHENSIONS

In 1964, Ateneo de Manila had established the only full-time graduate school of business in the Philippines. Through fund raising drives, volunteer professors from Harvard, and with the aid of the Ford Foundation and Harvard advisors to the Ateneo, La Salle, and the University of the Philippines, the Ateneo had high hopes of its graduate school of business becoming better,

perhaps even becoming the outstanding graduate school of business in southeast Asia. On the other hand, De La Salle College, which had been running a part-time program since 1961, was planning to open a full-time MBA program in the near future. Regarding partnership in a jointly sponsored graduate school of business, Ateneo seemed to have everything to lose and little to gain; De La Salle seemed to have much to gain and little to lose. If the jointly-sponsored graduate school of business administration should materialize, both schools would commit themselves to refrain from running a full-time program. Thus, Ateneo would have to close down a program which had been a reality for the past four years; De La Salle merely would have to refrain from a program which was only in the planning stage. The Ateneo De Manila graduate school faculty resisted such a one-sided venture.

PROPOSAL FOR A COOPERATIVE VENTURE

On 8 January 1968 Sycip, Gorres, and Velayo completed its third draft of the feasibility study, which was entitled "Profile of a Jointly-Sponsored Graduate School of Business Administration." Copies were distributed to the Harvard, Ford, Ateneo, and De La Salle people concerned.

Along with the "Profile," Fr. James F. Donelan, rector and president of Ateneo de Manila University, sent on 11 January 1968 a letter to the members of the university senate who were residing at the Loyola House of Studies. On 20 January he sent a similar letter to all the members of the university senate. His message to the Jesuits and to the lay faculty was substantially the same. He announced that there would be a meeting of the university senate on Wednesday 24 January to discuss the jointly-sponsored Ateneo-La Salle graduate school. He frankly admitted that he was very much in favor of the proposal, but he realized that there were certain negative aspects about the proposal. He very honestly and candidly summed up the advantages and disadvantages of phasing out Ateneo's full-time MBM program in favor of the jointly-sponsored school.

Fr. Donelan summed up the advantages by saying that the new school would be one of the best business schools in the world; its

facilities, faculty, and support from the business community could not be matched by Ateneo; the MBM program had been running at a deficit; there was poor faculty morale because the business school professors were getting paid more than those of other departments; there were not enough high quality students or trained professors to meet the demands of two schools.

The Ateneo president listed among the disadvantages: that there was no real proof that the joint venture would be better than separate ones; the MBM was a proven four year reality about to come into its own financially; Ateneo was being asked to contribute much more than La Salle, to close down an existing program while La Salle merely would desist from opening one; could the two schools be sure that in the new school traditional christian ethics would be taught and practiced?

In the letter to the Jesuits, Fr. Donelan explained why he felt that alone the Ateneo could not put up the kind of school proposed for the combined effort.

It seems to be a key premise underlying this whole idea that the support of the business community (and I suspect of the Ford Foundation) hinges precisely on the joint nature of the venture, e.g. Zobel-Ayala have offered their Makati property on the condition sine qua non that it be used for an Ateneo-La Salle venture. This condition has also been a key factor in the promise of other professorial chairs. Therefore, I conclude that the Ateneo Business School would not enjoy the kind of support from the business community that would be given to the joint-school.

POSITION PAPERS AGAINST PROPOSAL

A group of faculty members read the pros and cons very carefully and scrutinized the SGV study. They also looked at the performance of their own school and made projections for its future. Two days before the faculty senate meeting, the dean of the graduate school, Mr. Aurelio Montinola, Jr., sent to Fr. Donelan lengthy documents written by some faculty members.

The first document consisting of only one sheet was unsigned and was entitled, "Pro and Con Summary." It put as the basic questions:

1. Will the Ateneo de Manila University fulfill its obligations best by continuing and upgrading its MBM program or by jointly sponsoring a new full-time Graduate School of business with La Salle?

2. Can it afford to continue and upgrade its MBM Program?

The next enclosure was a "Comment on the Proposed Merger of Ateneo-La Salle Business Schools," written by Fr. Robert A. Bomeisl, S.J. The main arguments of Fr. Bomeisl were based upon an analysis of the finances of the Ateneo's graduate school. He claimed that if one prescinded from indirect expenses, the MBM had not been a losing proposition. The financial projections which he presented indicated that the program was coming into its own financially. Another point which he made was that the MBM program had not been taking needed space away from the Ateneo's law school. He also offered a possible solution to the problem of the disparity of salaries between the MBM faculty and the rest of the faculty of the Ateneo.

The paper that followed was written by prof. Victor A. Lim and bore the lengthy title, "A Paper Aimed at Demonstrating That the Ateneo de Manila University Must Include a Constituent Graduate School of Business if it is to Fulfill its Stated Purposes and Aims." The main argument of this paper (as the title clearly indicates) was that to give up the Ateneo MBM would be tantamount to betraying its own "Mission Statement" which calls for the training of responsible Christian leaders in business and other fields. He also made strong assertions that the Ateneo MBM program could not only survive but could prosper on its own. He saw no need for a consortium with De La Salle.

"A Profile of an Upgraded Full-Time Graduate Program in Business Management at the Ateneo De Manila University" was written by Mr. Gaston Ortigas. The purpose of the paper was to demonstrate that Ateneo could in five to ten years upgrade its full-time graduate program to the level envisaged by the proposed joint school, and this without any major fund drive.

The final paper, written by prof. Gabino A. Mendoza, was entitled "An Analysis of: 'Profile of a Jointly Sponsored Graduate School of Business Administration.'" One of the main points in this paper was that Ateneo de Manila University and De La Salle College are both Catholic schools. Therefore, the new school sponsored by them should visibly represent in the world of business education Christian and Catholic values. The development of responsible Christian business leadership is one of the aims of the Ateneo graduate school of business. If the MBM program were to

be replaced by the new school, then the new school would have to have the same objectives and the means to obtain them.

Mr. Mendoza further suggested that a chapel be built, that a priest be designated by the Ateneo rector as chaplain and master of boarders, and that Ateneo and La Salle be a majority on the board of trustees. Realizing what a momentous step this would be, he wanted it to be as failproof as possible. He argued that the Ateneo should not risk more than a hundred years of Jesuit education and a four year well-established graduate school until more financial assurances had been given and some questions concerning the school's Christian character had been more specifically answered.

PHASE TWO: UNIVERSITY SENATE

The papers referred to above gave strong indications that the university senate meeting scheduled for 24 January 1968 would be a very controversial one. It was not going to be easy to convince the Ateneo faculty to scuttle their rather smooth sailing MBM program and launch out into the deep on an unknown and unproven venture. According to the minutes of another meeting held eight days later, a motion had been passed at the 24 January meeting to adjourn so that the members would have time to consider the matter before it would be brought before the senate for a vote.

That Fr. James Donelan was a bit apprehensive about the strong possibility that the senate would disapprove the joint Ateneo-La Salle venture is indicated by three facts, viz., the postponement of the vote (he would not have postponed the vote if he had been sure of approval), his writing another memo to the faculty, and his invitation to certain members of the joint project's steering committee to come to Ateneo to further explain and clarify the proposal.

The paper of Fr. Donelan, entitled "Advantages of a Joint Venture School," set out to refute some of the opposition papers and opinions voiced during the meeting. In his cover letter, Fr. Donelan explained that as chairman of the senate meeting of 24 January he could not speak out and take sides. Therefore, he was doing so in this paper. He also stated that he had spoken to many

faculty members who were opposed to the new venture. Nevertheless they had assured him that if the proposal were finally approved, they would give it their full support. On his part, he pledged his full support to the existing Ateneo MBM program should the joint venture be disapproved.

The two main resource persons at the Sunday meeting mentioned above were Mr. Roberto V. Ongpin of Sycip, Gorres, and Velayo, and Prof. Ralph Z. Sorenson of the Harvard Advisory Group. Mr. Ongpin, who had been a former part-time teacher at the Ateneo business school, was the one who personally had written the SGV feasibility study. Prof. Sorenson had worked with him as an advisor and as the liaison officer representing the two schools. During the discussion, Messrs. Ongpin and Sorenson met with some very strong opposition from several members of the faculty.

PROPOSAL TENTATIVELY APPROVED

In spite of the position papers written in opposition to the joint project and in spite of the opposition voiced in the meetings of Wednesday 24 January and Sunday 28 January, the project was approved at the university senate meeting held on Thursday, 1 February 1968. However, the approval was not a blind, indiscriminate, and sweeping one. It was an indorsement to the Board of Trustees provided that certain safeguards were realized. After much discussion, and amendments, two resolutions were presented and approved.

RESOLVED: That the Faculty Senate endorses to the Board of Trustees the following proposal as academically sound, namely:

That the Ateneo de Manila University, in cooperation with De La Salle College, create a jointly-sponsored graduate school of business administration of the type described in the document entitled "Profile of a Jointly-Sponsored Graduate School of Business Administration."

RESOLVED: That the President convey to the Board of Trustees the concern of the Faculty Senate that the proposed jointly-sponsored graduate school should provide that:

- a) Adequate safeguards be built into the charter of the new school to insure that it will, in its policies and practices, embrace the objective of training academically superior and responsible Christian business leaders;

- b) Sufficient financial support be generated in advance to provide reasonable assurance that a new school of the anticipated stature will be financially self-supporting;
- c) Additional field research provide adequate evidence that the forecast levels of student enrollment and placement are realistic; and
- d) Final approval of the project should not take place until such a time as the Board of Trustees has reasonable assurance that the foregoing conditions have been satisfactorily met.

Of the thirty-five tenured members present, twenty-nine voted in the affirmative for the first motion and thirty-one voted in the affirmative for the second motion. Thus, both motions were carried. There is no record of negative votes or abstentions.

PHASE THREE: BOARD OF TRUSTEES

On Saturday 17 February 1968 the newly-constituted Board of Trustees of Ateneo de Manila University met. The main issue on the agenda was the consideration of the recommendations of the university senate concerning the proposed Asian Institute of Management. After a lengthy and rather intense discussion which took seventeen pages to record, the Board of Trustees neither approved nor disapproved the participation of Ateneo University in the proposed merger with De La Salle College. Instead it sent a full page resolution back to the steering committee of the proposed school, stating certain conditions which would have to be met prior to any Ateneo approval.

RESOLVED: That the Feasibility Study Committee be informed of the Board's sentiments on the proposed jointly sponsored graduate school of business:

1. The Board recognizes the necessity in the Philippines of the type of high-grade business education envisioned in the proposed school.
2. The Board requests of the Committee that it present to the Board the following documents:
 - a. the proposed charter draft
 - b. the proposed draft of agreement between the two schools involved
 - c. donors' firm pledges guaranteeing reasonable assurance of financial support.
3. Final approval of the project will not take place until such a time as the Board of Trustees has reasonable assurance that the foregoing conditions have been satisfactorily met.

More than four months later on Saturday, 29 June 1968 the Ateneo Board of Trustees met again. The Board was presented with certain facts to show that the steering committee of the proposed Asian Institute of Management had complied with the conditions stipulated by the Ateneo Board in its previous meeting. There was a promise of a hectare of land by the Ayala Corporation, Don Eugenio Lopez had already advanced ₱200,000 of his promised ₱5 million for the construction of the buildings, there were six written and six verbal pledges for professorial chairs, and the Social Security System had approved a ₱3 million loan at 7 percent for the student loan fund. Further, assurances were given that the projection of student enrollment was a realistic one. Apparently, all the required conditions had been met; nevertheless, approval was not forthcoming. Instead the Board turned its attention to the matter of the statutes of the proposed graduate school of business. Fr. Donelan, president of Ateneo University and a member of the AIM steering committee, expressed dismay at the new issue. The Board of Trustees had set conditions prior to approval, the conditions had been substantially met, yet the Board did not approve. Instead it postponed any vote until the Board would have a chance to see the statutes of the new institution.

The statutes were presented to the Ateneo Board of Trustees prior to the marathon meeting of Saturday 3 August 1968. During the first part of the meeting which lasted from 9:00 A.M. until noon, Prof. James W. Culliton of the Harvard Advisory Group answered several questions and made clarifications. After lunch the meeting continued for another hour on the pros and cons of the proposed joint Ateneo-La Salle school; the meeting covered twenty-four pages of transcriptions. Those in opposition were concerned about what the statutes would look like in their final form and who would compose the final form. They were informed that Dr. James W. Culliton and the Ateneo Academic Vice-President, Fr. John Doherty, S.J., would finalize the statutes. Others inquired whether approval of the statutes meant the approval of the Asian Institute of Management. Mr. Antonio Romualdez raised the issue that Ateneo's entry as a partner in the Asian Institute of Management may be directly in conflict with the policies of the Jesuit Educational Association (JEA). After some discussion the matter of the Asian Institute of Management was postponed until such a time that the policies of the JEA could be studied.

Two weeks later on Saturday, 17 August 1968, the Board of Trustees of Ateneo de Manila University met again. Again the discussion began with little unanimity and, as in the past meetings, the discussions were lively and intense. In February the Board had withheld approval until certain financial assurances could be given; in June approval had been withheld over the matter of the statutes, and on 3 August the issue had become the resolutions of the JEA. It was to this final point that Fr. Thomas Fitzpatrick, S.J., addressed himself, as recorded in the official minutes.

I do not think there is anything in the new school which is against the decree of the 1967 *General Congregation* [The Thirty-First of the Society of Jesus] and the 1968 *JEA Resolutions*.

On the contrary, I find many references that favor this new school. In the section on "The Apostolate of Education" and I quote:

"The intention of this present decree, however, is, in the first place, that the Society may think with the Church concerning the paramount importance and effectiveness of the educational apostolate, particularly in our times. Secondly, it is intended that our schools be outstanding not so much for number and size as for teaching, for the quality of the instruction, and the service rendered to the people of God. Thirdly, we should be receptive toward new forms of this apostolate, particularly adapted to the present age, and we should energetically investigate or fashion these new forms either in our own schools or elsewhere.

It is evident that we can exercise the apostolate of education in various ways either in our own institutions or collaborating with others."

Fr. Fitzpatrick continued:

The 1968 *JEA Resolutions* express a concern for the socio-economic problems of the country and suggest the means open to the schools "to realize a just and Christian social order among its people." The power to do anything about this is with the professional managers who will be trained at AIM. I would be sad to see the Ateneo let this opportunity for influence go by.

The discussion now seemed to be moving toward approval. Frs. Francisco Araneta, S.J., and Miguel Bernad, S.J., who had throughout the discussions favored the continued strengthening of Ateneo's own graduate school of business and who were very concerned about the Christian character of the new institution, finally agreed.

So, in the minutes of the fourth Board of Trustees meeting on the AIM issue, we find the following:

The Board having disposed of the last prerequisite to consideration of the proposed business school, Fr. Fitzpatrick moved that it now give its final approval to the "jointly-sponsored graduate school of business administration of the type described in the document entitled *Profile of a Jointly-Sponsored Graduate School of Business Administration*." Justice Reyes seconded the motion and the chairman called for a vote. All eleven trustees present voted approval of the project.

The Chairman then informed the Board of the affirmative votes of the four trustees who are presently abroad.

So, exactly 365 days (1968 was a leap year) after the 18 August 1967 meeting of Frs. Donelan and Doherty of Ateneo University, and Bro. Gabriel and Dr. Perfecto of De La Salle College, at the Casino Español to discuss a possible Ateneo-La Salle merger, the Ateneo Board of Trustees approved of the project. The last great obstacle to the founding of the Asian Institute of Management had been overcome.