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economic society is better off when more of its citizens are engaged in productive work. This information is provided by the Michigan Employment Security Commission.

The Composite Index

Each of the five components in the Grand Valley Index is equally important in measuring composite economic activity for Kent, Ottawa, and Muskegon counties. Since some components fluctuate much more widely than others, it is necessary to make some adjustments to them and to the weights so that a "normal" fluctuation in one series has just as much impact as a "normal" fluctuation in any other.

Employment, for example, fluctuates very little. But a small fluctuation in the level of employment is a very serious matter. To get its proper impact in the composite index, it is necessary to weight the raw index value a little more heavily than the other indexes. Conversely, residential construction normally fluctuates rather widely. A large change in the value of this index is more common and less alarming. Consequently, the weight given to this index is smaller than for the other indexes.

The graph shows the movements of the Grand Valley Economic Activity Index for 1972 through September 1980. The 1973-75 recessionary period is clearly indicated, followed by a steady rise in economic activity in the Kent, Ottawa, and Muskegon regional area from 1975 into 1979. Policies adopted at the national level to slow overall economic growth in 1980 in order to slow the inflationary rate have had an impact on west Michigan. Retail sales, residential construction, bank debits, industrial power consumption, and employment were down during the first six months of this year. Non-residential construction continued throughout this period at a reasonably brisk pace. Recently, we have seen some increase in housing starts, retail sales and employment. While the economic slowdown period is not over, the economy nationally seems to be reaching the low point of the current recession.

The dramatic effect of national policies on the automotive industry has also been felt in west Michigan, but not to the extent it has in Michigan generally. The west Michigan area (particularly metropolitan Grand Rapids) has a more diversified industrial base and is not as dependent on the automotive industry as are the other major labor markets in the state. The west Michigan area also has several industries such as office systems furniture and tool and die that have good prospects for the future.

In subsequent issues of the *West Michigan Management Memo*, economic activity indexes for the United States and Grand

Rapids will be presented. These indexes will be based on the same components as those used in the Grand Valley Economic Activity Index and will permit a comparison of economic activity in Grand Rapids with that of the west Michigan region and the United States. A more extended analysis of these comparisons will be provided.

The Grand Valley Economic Activity Index is prepared by Dr. William Peterson, of the Economics Department of the Col-

lege of Arts and Sciences at Grand Valley State. Economic commentary will be provided by Dr. John Bornhofen and Dr. Marvin DeVries, of the Seidman College of Business and Administration.

The historical values of the composite Grand Valley Index as well as of the components of the index for January 1972 through September 1980 can be obtained by contacting the Dean's Office, Seidman College of Business.

Personnel and Labor Relations Degrees for the 1980's and 1990's

By Earl Harper and David B. Stephens

During the 1950's and 1960's, graduate business schools throughout the United States experienced very large enrollment increases, and graduate degree programs proliferated. Increasingly, traditional specialized master of arts or master of sciences programs in the various business disciplines (finance, marketing, etc.) were discarded in favor of the more general M.B.A. degree. The M.B.A. was designed to prepare generalists for roles as strategic decision-makers in complex organizations, where they could comfortably and competently cross disciplinary boundaries. However, many M.B.A. programs allow for some functional specialization, while maintaining the essence of the degree.

Currently the pool of candidates for entry-level staff positions that require graduate degrees might include persons with a very general M.B.A., an M.B.A. with 18 to 24 hours of functional specialization, or an M.A. or M.S. degree concentrated almost entirely within a well-defined discipline. In our role as educators and academic administrators, we are frequently called upon to participate in program and curriculum design decisions in the areas of personnel and labor relations, and to make judgments as to which of the options expressed above is most useful and desirable in the personnel area. In thinking about the

"proper" paradigm for graduate education for this field for the future, we felt it imperative to get ideas from personnel and labor practitioners who are in a position to evaluate the needs of employing organizations and to assess the strengths and weaknesses of recent graduates. For these reasons, a national survey was conducted among accredited American Society for Personnel Administration (ASPA) members. The survey asked members for opinions on whether a graduate degree is important and, if so, what degree is most appropriate for personnel and labor work (general M.B.A., M.B.A. with specialization, or M.A. or M.S. degree in personnel or labor).

We selected a random sample of 600 ASPA members for the survey. A total of 306 usable questionnaires, or 51% of the sample, were returned. There appeared to be no significant demographic differences between respondents and non-respondents.

How important is a master's degree in personnel and labor?

Table 1 summarizes the opinion of the respondents on this issue.

There is obviously a great deal of support among this group for specialized degree plans in personnel and labor and a feeling that in the future such programs will be more important. If the category "slightly agree" is eliminated on the as-

(Continued on next page)

Table 1

Statement: A master's degree in personnel and/or labor will be increasingly important in the 1980's and 1990's.

Responses	Number	Percent	Cumulative Percent
Strongly Agree	122	40.1%	40.1%
Agree	135	44.4	84.5
Slightly Agree	29	9.5	94.1
Slightly Disagree	17	5.6	99.7
Disagree	1	.3	100.0

(Continued from page 5)

sumption that this cell contains a great deal of ambivalence, 85% of the sample still agree with the proposition. Almost exactly the same percentage (82.1) agreed with a related proposition, that the market value of such degree programs will increase in the near future.

This response is no doubt somewhat provincial and self-serving, but the frequency of agreement is still impressive. Furthermore, many practitioners do not possess graduate degrees. In our sample, 46 percent held graduate degrees while 54 percent held bachelor's degrees or less. Thus, the belief that additional formal training will be important in the future likely indicates a real perceived need and is perhaps not merely an attempt to lend superficial importance to the discipline.

What graduate degree is most appropriate?

The second area of inquiry asked the participants to compare the appropriateness of a generalized M.B.A. to an M.B.A. with some degree of functional specialization, to a narrower but deeper M.A. or M.S. degree in the field. Table 2 gives the comparative statistics.

Table 2 indicates that a specialized M.A. or M.S. is only slightly preferred over a

general M.B.A. and that an M.B.A. with a degree of specialization is overwhelmingly preferred over an M.A. The preferred model seems to be the M.B.A. background embellished with enough specific course work to provide a technical base for the fledgling personnel or labor administrator. An explanation for this preference was provided by the many respondents who indicated in the "comments" section that staff administrators with graduate training are often moved from staff to line and from line to staff, thus making a case for the flexibility inherent in a more specialized M.B.A. but not in a narrower M.A. or M.S. program. Another frequent comment was that personnel staffers need to "understand and appreciate" line problems and the problems of other staff functions, again bolstering the case for the broad M.B.A. background, but allowing for the development of usable, functional expertise by expanding the hours of M.B.A. elective specialization. Based on practitioner feedback, we believe the M.B.A. with expanded elective specialization is the most appropriate format for advanced study in personnel and labor.

It is apparent that personnel and labor practitioners have a preference for a mid-

dle-of-the-road approach to graduate education in the field, capturing the broad-based foundation of the general M.B.A. curriculum with the addition of enough electives and options to provide at least a beginning for the development of specialized technical expertise and skills. Specialized M.A. or M.S. programs are certainly not thought to be preferred or even essential for the future. Academic program planners should not rush to develop very specialized M.A. or M.S. personnel programs unless local or regional conditions so demand or unless resources are abundant. A more widely differentiated M.B.A. offering a personnel or labor specialization or major would be more economical and more widely demanded and accepted by employing firms. The reason for this preference seems to center on the issues of flexibility and transferability for managers trained at the graduate level.

During the 1980's and 1990's additional growth and development in personnel and labor degree programs will no doubt continue. In light of the findings reported herein, the design of such programs should be moderated, capturing the essence of the general M.B.A. degree but allowing for increased functional specialization. The multiplication of M.A. and M.S. programs is not as strongly supported by practicing managers as faculties and academic administrators appear to have assumed.

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Table 2

Statement	Strongly Agree	Agree	Cumulative Percent
M.A. or M.S. more valuable than general M.B.A. degree	39.3%	13.2%	52.5%
M.B.A. with personnel and labor specialization more valuable than M.A. or M.S. degree	39.1	51.3	90.4

Management Development for M.B.A. Students

By Ken DeYoung

One doesn't have to be around business long to realize that having an M.B.A. degree is no guarantee of success in a management position.

There is no question but that the development of knowledge and skills involved in earning an M.B.A. enables the individual to understand and solve many technical and business problems with greater effectiveness and efficiency than would have been the case otherwise. Many management situations call for precisely the kind of knowledge and skills which are developed so well in most M.B.A. programs.

However, many problems which the manager faces and deals with in the course of a working day are not of the type usually considered in a business school. Many are personnel problems, which most people with

an M.B.A. are no better prepared to deal with than anyone else. Many are problems having to do with using one's personal resources most effectively and trusting others to accomplish objectives not easily obtained through the application of one's own energies. Some problems faced by managers in real life settings have to do with handling stress, self-doubt, and personal anxieties and apprehensions. Still other problems have to do with the personal concerns of subordinates, peers, and supervisors.

Most personal management failures do not seem to arise out of technical incompetence. Most people who fail at management do so because they cannot effectively handle some of the personal, social and/or organizational situations which arise and must be dealt with.

There is, therefore, an obvious need for some educational experiences within the M.B.A. program which can help students develop some knowledge, skills and insights which will enable them to handle these noncognitive, nontechnical situations more effectively.

In the M.B.A. program of the F. E. Seidman College of Business and Administration, we have tried to address these issues within the regular academic framework and curriculum.

From the beginning of its existence, Seidman College has been committed to the belief that one goal of the M.B.A. program is to increase the success of its graduates in the organizations in which they are employed. This principle implies that the education and training programs in