

**INTERVIEW
WITH
AL SILK
SLOAN ORAL HISTORY SERIES
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A: Al Silk
B: Bob McKersie
G: George Roth

A. J. Silk's REVISION OF ORIGINAL TRANSCRIPT, 6/12/14

G: We're speaking with Al Silk, who will tell us about coming to MIT and what predated it. We've just been talking about some of his experiences at Harvard where I believe, are you *Emeritus*?

A: I am *Emeritus*.

B: I'm particularly interested in what predated your coming to MIT because it was University of Chicago and even back before that, where you got your Ph.D. and the academic journey from the beginning.

A: I grew up in Canada and went to the University of Western Ontario (now, Western University). I was a student in their honors BA program in business administration. That school, now known as the Ivey School, was very much influenced by, and in many respects modeled after the Harvard Business School. A marketing professor I had, Walter Thompson, was a Harvard Business School MBA, and he had played a major role in helping found and shape that school.

B: What year or what timeframe?

A: I graduated in 1959 from Western. I was born in western Canada, but when I was a teenager, we moved to Ontario and I went to high school in Hamilton, Ontario. In my last year at Western Ontario, I decided to explore the idea of pursuing an academic career. I was attracted

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to academic life as I had experienced it but was uncertain about whether it might be a viable path for me. So I turned to members of the Western faculty who knew me for guidance, and in particular, advice about which graduate programs to consider. At that time, my professional interests were already focused on marketing. My father was a career door-to-door salesman and my mother had aspired to be a school teacher—so the idea of becoming a marketing academic was a kind of golden compromise between their influences and my interests. My Western faculty advisors all said: “the place to go for marketing is Northwestern.” I applied to the MBA program because I was quite uncertain about whether I could play in the “big time.” I was accepted, did quite well and earned my MBA (with distinction) in a year and a half. That paved the way for my entering the doctoral program in marketing at Northwestern which turned out to be a great experience. It shaped my subsequent interests and career in so many ways.

I must mention a highlight of my doctoral studies that I know Bob will appreciate. On the first day my doctoral program, I met another student, Harry Davis. We’ve been the closest of friends ever since. Last December, The University of Chicago celebrated Harry’s 58 years on the faculty and I pleased to attend the festivities.

While my doctoral studies served me well in many ways, I made the near fatal mistake of leaving Northwestern before I finished my dissertation. In 1963, I joined the faculty at UCLA. When I had gone through recruiting, I thought I would be through with my thesis before making the move. But, it’s always been my case that writing and research takes me a lot longer than I imagine. I haven’t gotten much better at that over the years, but I have learned to expect the bias in forecasting time-to-closure

So I was at UCLA for three years trying to finish my dissertation, and I didn’t. I kept working on it but sporadically as teaching and course development consumed more time than I had anticipated, plus I got involved in some other research. After two years at UCLA, since my dissertation still wasn’t done, my appointment had to be switched from “acting assistant professor” to “lecturer,” and my teaching load increased by 50 percent. Then I had the good fortune to receive an offer from the University of Chicago, a development I attribute to the efforts of Harry Davis and John Jeuck, who Bob also knew. I liked UCLA in many respects, but I never saw myself as living forever in Southern California. So I moved to Chicago in the summer of 1966 and finally had my dissertation accepted at Northwestern in 1968.

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During my second year (1967-68) at Chicago, I had another stroke of good luck; out of the blue, MIT came calling. This was the time when Sloan was the place where an exciting and seminal research program on the application of management science in marketing had been initiated. At the center of that development was John Little. John was already a highly accomplished scholar in the field of operations research and at around that time he began to focus his research on marketing. I vividly remember the first time I met him. He was invited to the workshop on control theory at Chicago and John presented a paper that is now something of a class: “A Model of Adaptive Control of Promotional Spending.” The control workshop at Chicago was a very tough audience and John wowed them. I remember Alex Orden, an applied mathematician/operations researcher and a senior faculty member, came up to me after the workshop and said: “Now that is the kind of work we should be doing around here in marketing.” Prior to John’s arrival at Sloan, the status of marketing was anything but established. I believe it was the case that no one in marketing had ever received tenure at MIT. As a result of John Little’s exemplary research and leadership, Sloan became the hotbed for a stream of research that evolved into what is now known as “Marketing Science.”

B: Still full-time, has not retired.

A: Yes, very much so. We stay in touch and get together from time to time.
What was going on at Sloan in 1968 really excited me. I liked Chicago a lot, but it was much more of a discipline-focused place than Sloan—in the sense that economics was the dominant paradigm at Chicago while Sloan was more diverse. And at that time, the history of marketing at Chicago was very mixed. In any case, I saw Sloan as a great opportunity for me. Problem-oriented model building really captured my imagination. . While I had not been trained in operations research/management science, I saw my interest in marketing and knowledge of statistics and psychometrics as a foundation for building models of marketing phenomena to support decision making. That’s the path that led me to Sloan in 1968.

G: Was it called the Management Science area then?

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A: Not yet when I arrived in 1968. In those days, the School was very loosely organized. John Little deserves credit for his leadership in building a culture within what became the Management Science area. Over a period of a few years, he managed to bring together a very diverse set of competencies and people who shared a floor of office space in E53, the Hemrann building. Over time under his leadership we came to recognize areas of common interest and appreciate how synergies could be realized by working together with respect to activities such as recruiting faculty and curriculum design for the master's and doctoral programs.

What was to become the "Management Science Area was comprised of several groups, some highly disciplinary-oriented, others more focused on business functions. At the disciplinary end, there was a small core of OR people like Jerry Shapiro and Tom Magnanti who were math programmers and heavily involved in the interdisciplinary program at the OR Center that John Little directed. Statistics was represented by Gordon Kaufman, a Bayesian; Roy Welsch, whose interests were in robust statistics and econometrics; and later, Arnie Barnett, a probabilistic. The operations management was very OR-oriented with faculty such as Arnoldo Hax, Steve Graves, and later Gabriel Bitran. We had an accounting/control group that included Zenon Zannetos. Another key ingredient was the Management Information Systems group that Don Carrol (who later moved to Wharton) had built that included several MIT-computer science graduates (e.g., Tony Gory, Dave Ness, Chris Sprague and later, Stu Madnick) and Michael Scott Morton who helped pioneer the concept of management decision support systems. And of course, there was marketing. That diverse set of faculty was housed in offices scattered around the second floor of the Hermann Building and connected to the rest of Sloan by a bridge to E52. Such were the beginnings of what became the Management Science area.

In my memory and experience, the idea of the Management Science area was really John's Little vision, but certainly endorsed by Bill Pounds and Abe, who was then the Associate Dean. That model was a major element that later encouraged Abe, and certainly me as his deputy, to try to guide the restructuring of the School when Abe became Dean. Things were very loose in other parts of the School. When it came to faculty governance— resource allocation, faculty recruitment and promotion, program and curriculum design, and other school-wide issues—it came to be recognized that the School needed a different mode of organizing.

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B: We're going to want to spend quite a bit of time on that phase.

A: Good.

B: You came as an assistant professor?

A: Associate professor.

B: Associate professor, probably without tenure.

A: Right, without tenure. I came to Sloan after 5 years of service elsewhere as an assistant professor who had just finished his PhD dissertation and had only a limited and unfocused publication record. Offering me an appointment as an associate professor was a bold move.

B: But you had that behind you, you had completed it. You came as an associate professor in 1968. John clearly was the pull factor. You have mentioned some of the individuals in passing. Who else was in the core group?

A: The other two people who were roughly my cohort, who had a big influence in promoting me to John and the School, were two assistant professors: Dave Montgomery, who later returned to Stanford where he had been an undergrad and doctoral student; and then, of course, Glen Urban.

B: So Glen was here.

A: Yes. He'd already been at MIT a couple of years when I arrived. I first met him when he was in the rookie job market, and we tried to attract him to UCLA. Although he also did his doctorate at Northwestern, we didn't overlap. On the occasion when we were celebrating Glen's retirement, I felt compelled to mention that Glen holds the record at Northwestern for

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completing his Ph.D. in marketing in the shortest time period. And I have the record for taking the longest, among those for whom it's not infinity! (laughing)

Dave and Glen were doing innovative and influential work with respect to model building and applying management science to marketing problems. John was the inspiration in many ways. There was another faculty member who was also very important, Arnold Amstutz. He had been an undergraduate at MIT in electrical engineering/computer science but had done his PhD in political science under Ithiel Pool. Does that name mean ring a bell?

B: Yes.

A: Ithiel was a senior member of the Political Science faculty and widely known in the field of communications research. Ithiel was a pioneer in building simulation models to understand the effects of mass communications on elections. Arnie had pursued that line of research to develop "micro-analytic models" of marketing systems that could be used to analyze the effects of marketing policies via simulation techniques —e.g., the effects of various forms of pharmaceutical promotion on the prescribing behavior of physicians.

B: Can you say a little bit about the courses you taught, and also what research you got engaged in as you came here as a beginning faculty member?

A: I started out teaching basic marketing (15.812). At that time, it was pretty much an open door policy in the grand MIT tradition. The largest sub-population in the course was comprised of Sloan MS program students. The second largest group was undergraduates, mostly from Course 15, but also some from Engineering, and a handful of Wellesley women. I remember one year I had a freshman majoring in mathematics and a few doctoral students from mechanical and ocean engineering. So it was a very diverse group. The substance of the course was a series of models relating to various domains of marketing decision-making with a few cases thrown in to capture organizational processes and practices.

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Early on, I took over a course that Dave Montgomery had previously offered, which was called “Measurement for Management” (15.832). The goal was to introduce students to primary data collection methods used in social science and management research, including sampling, questionnaire/interview design, and scaling methods. The focus was on collecting data so as to minimize sources of measurement error and invalidity—emphasizing fundamental methods that were broadly applicable rather than practices and applications in some particular domain, such as marketing or organization research.

The course was a natural for me as it drew upon my training at Northwestern and resonated with Sloan students who had some familiarity with basic statistical/econometric methods for analyzing data, but knew relatively little about methods of primary data collection. In addition to doctoral students, the course attracted M.S. students who were interested in doing field work in connection with their theses. I modified the course to include the subject of research design, introducing the concept of “quasi-experimentation.” At Northwestern I had taken a course from Donald Campbell, a famous social psychologist, who probably is best known for his methodological contributions, especially for developing the concept of “quasi experiments” which is a powerful means of analyzing the strengths and weaknesses of different research designs and became the foundation of “evaluation research” to assess public policy decisions. Economists have recently embraced and extended quasi-experimentation by developing econometric methods that address issues relating to drawing causal inferences from data arising from various research designs. Campbell always told us: “My reputation is as a methodologist but that’s because all my empirical, theoretical work has produced negative or inconclusive results.”

As well, I initiated another course at Sloan titled “Marketing Communications” that was concerned with managing advertising campaigns, which has always been my major research interest. Teaching that course was a major influence in shaping my research agenda on advertising. Not only did teaching that course afford me the opportunity to master and present the state of advertising research but the students were an invaluable source of feedback on the strengths and weaknesses of contemporary developments emphasizing models and measurements to support advertising decision making. Feedback from Sloan M.S. students and participants in our summer short courses were sources not only of research ideas but also of

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opportunities to pursue that research—research sites, data, and funding. Those subjects were my major teaching assignments at Sloan.

B: You said in terms of research interest that advertising has been one of the major themes?

A: Yes, it always was and much of the research I carried out while at Sloan related to advertising. This was the time when the concept of a marketing decision support system was formulated at Sloan and became a rich unifying framework that the marketing faculty embraced and served to motivate and organize our research agendas. In my reckoning, I credit John Little with being the visionary who championed the notion of decision support systems in marketing; a concept which Dave Montgomery and Glen Urban extended and illustrated in a well-known paper. The marketing group's thinking about decision supports systems was also influenced by the pioneering work of Michael Scott Morton and Jack Rockhart.

B: Right.

A: After my arrival at Sloan, I quickly got involved in research that related to this paradigm of marketing decision support systems that was evolving at Sloan. Much of it addressed advertising and marketing communications phenomena and problems. In cooperation with a major pharmaceutical firm, Dave Montgomery and I undertook a project that began with a study of the effectiveness of communications programs intended to influence the prescribing behavior of physicians. The project was an outgrowth of a chance encounter between a pharmaceutical marketing executive and Dave and I at a professional meeting. It was a great match: Dave and I were looking for opportunities to develop and test our ideas about modeling and measuring response to communication instruments and the executive had a strong interest in that topic and was willing to supply data and work with us. Through the application of econometric models to time series data for the firm's offerings in several pharmaceutical product categories, we were able to produce a methodologically sound picture of the dynamic effects of communication expenditures on market share that the firm found useful. Through discussion of our results with

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the firm's product managers, we came to the conclusion that "detailing" effort (personal contact between sales representatives and physicians) was being systematically misallocated across the firm's product line. With the assistance of one of our M.S. thesis students (Carlos Zaragoza), Dave and I then developed a normative model to guide the allocation decisions and assess the market share and profit impact of alternative allocation policies. Our work was well received by the corporation and the allocation model was subsequently adopted by other divisions of the firm, beyond the group we had worked with initially in developing the system. This was a very professional-rewarding outcome and to boot, Dave and I were able to publish the models and findings.

Another advertising research project was one John Little and I collaborated that involved the development and testing of a new advertising campaign at AT&T to stimulate residential long-distance calling and replace a long-running existing campaign. John and I had a hand in designing the testing program and conducted the analysis at Sloan. The design and testing was carefully conceived and grounded in an extensive program of developmental research that culminated with a classic but rare "true" field experiment wherein two very large and equivalent samples of households were separately exposed to either the new or the ongoing campaign and their long-distance calling behavior was tracked over time. Our analyses showed that the new campaign outperformed the existing one, in changing calling behavior and attitudes toward long-distance calling. The resulting paper was a finalist in the 1982 competition for the Franz Edelman Competition conducted by INFORMS to recognize innovative applications of operations research and management science that have a demonstrable impact on management practice.

The work for which I'm best known grew out of project on which Glen and I collaborated. It may also be his most-cited work. We developed a modelling and measurement methodology called ASSESSOR for making forecasts of the expected market share a new product would have prior to its actual launch. New product development typically follows a multi-stage process, from concept formation through test marketing on a limited scale and finally full-scale launch. As one moves from one stage to the next, the investment required grows while the failure rate is notoriously high. Glen had already done a considerable body of research on new product development, beginning with the dissertation he wrote at Northwestern under Phil

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Kotler. Glen has spent has much of career developing decision support tools to reduce the failure and improve the productivity of investments in new product development. I remember when I wrote my letter for his tenure review, I (admiringly) characterized Glen research program as one where he had “systematically worked backwards” from the final stage of the process (launch) to the beginning stage (concept generation).

The problem that he and I collaborated on focused on a critical decision managers face relatively late in the new product development process; namely the question of whether or not a new product should be introduced in a “test market” so its performance could be observed under competitive market conditions. In those days it was common, particularly for consumer goods, to test market a new product on a limited as the final step before widespread market introduction. Test markets were very costly and time consuming—sometimes involving million dollar outlays and often taking at least a year, sometimes two, before the new product’s steady-state performance could be reliably observed. In his earlier work, Glen had developed models to trace the evolution of buying behavior in a test market and determine what steady-state position it could achieve. Then one day he stopped by my office and said, “I have a very interesting research opportunity I want to talk to you about it.” What he proceeded to tell me was that Cal Hodock, who was director of marketing research at Gillette, had presented him with a challenging research task. Hodock said something like, “Glen, you’re a smart guy. What can you do to get me out of this dilemma that I face in deciding to take a new product to test market?” He was under a lot of pressure at Gillette to develop new products that would generate real growth. He explained: “We’ve got to speed up the development process and cut down the failure rate.” In those days, in the consumer goods area, 80% of the products that went into test market failed and then were abandoned. So that was the challenge: predict how a new product would perform in test market in advance of taking that step and thereby reduce the costs and delays of identifying successes and failures in test markets .

It turned out to be a very successful collaboration for Glen and me and for Gillette. We designed a customized methodology that simulated the key aspects of the choice process consumers experience in making initial and repeat purchase decisions. A series of measurements obtained from a sample of consumers participating in the study provided the input to calibrate econometric choice model that provided the foundation for making conditional

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forecasts of the market share and sales volume a new product could be expected to generate if it were placed in a test market. It turned out to work really well. Over time, we were able to validate the system's predictive accuracy by accumulating a body of evidence that showed our pretest-market forecasts were within plus or minus one share point of the "actual" market shares observed in case where products had been launched into test markets after ASSESSOR pre-test market forecasts had been made. By now, thousands of applications of the system have been made. ASSESSOR became one of the services offered by Management Decision Systems, the consulting firm founded by Glen along with John Little and Len Lodish.

B: Were you involved in that part?

A: I was an advisor. I spent a day a month working with MDS on whatever the methodological puzzles and issues they encountered in implementing the system with clients.

In 1978, Glen and I co-authored a paper published in the *Journal of Marketing Research* (JMR) that laid out the details of the measurement and modeling system and reported some early validation evidence. In 1983, that piece received the O'Dell Award for "best paper" published in JMR in 1978. That turned out to be a very influential paper. The same year (1983), another paper co-authored by Glen and I along with Tom Hatch (a marketing executive at Bristol-Meyers who was an early and ongoing client) and Gerry Katz (a Sloan M.S. alum and a MDS consultant) that reported further details relating to the implementation and validation experience of the ASSESSOR system was the runner-up for the INFORMS Franz Edelman Award. At the time, there were a lot of commercial research firms who were trying to do this kind of thing, but they would never publish their work or reveal the details. So we set a standard that was respected by practitioners and certainly influenced a lot of academics.

G: When you said that Glen kind of backed into that, was your approach more direct with the market research design?

A: Let me clarify my comment that Glen's work evolved "backward" from the market launch stage to earlier phases of the new product development process. Glen's early

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work involved models of market dynamics observed in test markets gradually unfolded. The learning that accumulated over time from the application of those models become the foundation for developing modeling and measurement systems to support decisions arising at earlier stages of the development process. As a result of his earlier work and experience, Glen understood the underpinnings of what the pre-testing marketing forecasting issue entailed.

G: Or the Gillette guy identified it, right?

A: That's right. Hodock came to Glen because of Glen's reputation and what Glen had already done, which was useful. At that point I had done a little consulting on new product development and had published a couple papers on specialized topics relating to consumer acceptance of new products. Glen integrated his academic research and consulting in a very effective way.

B: Very much an MIT tradition! If you have an idea, test it in the marketplace.

A: That's right, yes. I always think of the MIT "hand and mind" tradition in terms of HBS's model of itself. They talk about "the classroom is your laboratory where you learn and you try out ideas." Both are very interesting way to think about educational institutions. Those are the epistemological issues that we should do more with, as management scholars and educators.

I have to say that I'm very disappointed to see that tradition is being lost, at least in the marketing field these days.

B: They're doing work that's respected in the discipline, probably, in the journals, right?

A: That's right. I don't think John Hauser's orientation has changed much but I sense that the group of faculty around him doesn't embrace the "theory and practice" tradition the same way that John and Glen do. That disappoints me, because I think if not at MIT Sloan, then

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where? It's been so vital. As an academic pursuit, marketing is an oddity in many respects. It aspires to be a science and that work has made an impact on practice. But you don't go into the chief marketing officer of most corporations and say, "How's your marketing science?"

G: What's been the influence on the Marketing Science Institute (MSI)? Is that shifting as well? I only remember it from 20 years ago.

A: Yes. I was a MSI trustee until two or three years ago. I think one of the reasons why I was invited early to be a trustee was because of the substance and style of research we pursued here in working with practitioners on real problems.

MSI's history is one where it started in Philadelphia with support from industry and involvement of Wharton faculty. While they produced a noteworthy advanced monograph series, after a few years the sponsors said, "We're not getting much out of this" For many sponsors, support depended upon their firm's "slack," that disappeared whenever the economy took a downturn. So MSI was moved to Harvard to save it. The founder of MSI was a man named Tom McCabe, who had been the CEO of Scott Paper.

B: And also a business school graduate.

A: Yes. I believe so. As I understood it, there was a basic research cooperative research organization that had been formed in the paper industry and had done important work that was shared by firms in the paper industry. Apparently, McCabe believed a similar organization would be useful in marketing. It got started in Philadelphia and, as I said, it floundered. Trustees approached Harvard and asked for help and HBS said, "We'll help, but the director has to be an HBS faculty member." It did survive and now thrives. Basically MSI positions itself as a bridge between practice and academia. It has a substantial number of corporate sponsors and a budget that MSI allocates to support faculty and doctoral student research. It's doing well.

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B: Shall we move along? You came in 1968 as an associate professor without tenure, and somewhere along the line you got tenure. What are the dates when you got promoted, etc.?

A: 1972. The year my youngest daughter was born, so it's a date engraved in my memory. I remember it vividly. I recall John Little, one morning about 8:00, knocking on my door, and he had a big smile on his face. He said, "Well, maybe I shouldn't tell you this. And you've got to understand that there's a ways to go here, but the School is recommending you for tenure." A couple weeks later, Bill Pounds called me down and said, "Academic Council is recommending, you be granted tenure." I thought, "Boy, are these guys ever going to make up their minds?" (laughing) But needless to say, I was very proud and delighted.

B: I'm sure there are some things to be said before you became deputy dean with Abe. I think that's going to really be an important part of the interview because the School was really developing and a lot of things happened during that era. I think that's what we really want to jump to.

A: After I received your invitation to speak with you two and Sloan's history, the first thought that came to mind was about Abe Siegel--- John Little was not far behind. It was one of the great pleasures of my life to work with Abe. He and I got along very, very well. We both had the same initials, AJS, so he used to say, "You want to sign this memo "AJS² (squared)?"

B: You probably remember the period of time when the School wasn't sure they wanted to have Abe become dean. I'm not sure how much of this will be put in the record. It can be expunged later.

A: Yes. I was on the search committee.

B: You remember there was somebody who it looked like we were going to get. And then it fell apart because he couldn't move or something?

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A: Yes, it was Arthur Taylor, who had been president of the Columbia Broadcasting System (CBS). He was offered and (briefly) accepted the position, but over the ensuing weekend decided to withdraw. The search committee's deliberations were difficult and reflected the classic tension business schools grapple with to reconcile their academic and professional aspirations. The committee debated Sloan's strengths and weaknesses extensively in grappling with the issue: Where do we want to go? We knew we very good academically but the shadow of the Harvard Business School hung heavy. The Institute took great pride in the recognition and reputation for excellence and leadership that many departments earned. In those days, the feedback heard at Sloan was often along the lines of: "How come Harvard is number one?" And while management school ratings were not yet regularly available, Sloan was not ranked in the very top tier.

G: I remember the early ones we were outside the Top 10.

A: Yes, my recollection is that was more or less the case. As a matter of fact, one of the early things I did when I became Deputy Dean was to review at all the ratings that were available at that time. Prior to the appearance of the annual *Business Week* and *Financial Times* ratings, there were independent studies that appeared occasionally, many of which were published in the *Journal of Business*, *University of Chicago Journal*. I circulated a summary of those ratings and rankings which indicated Sloan was further down those lists than we deserved, much less aspired, to be. In various ways, the message conveyed to the search committee was: "MIT likes its departments and its faculty to be famous." And there's great truth to that.

B: So here was Abe. He had served tirelessly under Bill Pounds.

A: For a long time.

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B: For a long time. Bill Pounds is ending his stint as Dean, and there's this long period of time where they're looking and looking and searching. Abe is carrying on because he is, in effect, acting dean during this period. It wasn't an easy time for Abe.

A: It was very difficult, especially so since Abe was such a loyal citizen and staunch advocate of Sloan and the Institute. As I said, the search committee was caught up in this classic tension: "How do we move forward? Do we continue to play to our academic strength and turn over the helm to a known and trusted internal candidate? Or do we need pursue a different path to extend our visibility and reputation credibility in the world?" and look outside, especially for someone who guide us to attracting new support and resources. We went back and forth. Finally, we recommended to Paul Gray that the deanship be offered to Arthur Taylor. As I recall it, he looked at us and said something like: "Are you sure this is what you really want to do?" We affirmed our recommendation and after taking some time to mull the decision over some more, he informed us he was going to contact Taylor...

According to my recollection of what subsequently transpired, Paul Gray reported back to us on a Friday that he'd made the offer, and it had been accepted. Then on Monday, we had another emergency meeting and Paul informed us that Taylor had withdrawn his acceptance. I don't recall that the reasons for his sudden change of mind were explained or discussed. Paul made it clear that we should immediately approach Abe, "with our hats in our hand." And in his great grace and love of the school, Abe accepted the deanship.

G: Was the other an outside academic candidate?

G: Or from industry.

A: As I remember it, the other outside candidate possessed an intriguing mix of academic credentials and business experience.

B: Ralph Gomory from IBM, as I remember.

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A: That's right. He had made a major contribution to mathematical programming. I remember Jerry Shapiro was the one who said, "That's the kind of guy who we ought to have as dean. He'd be perfect."

B: Was that like 1979 or 1980?

A: 1981. I know the year because it's been on my vitae all these years. Deputy Dean, 1981-88.

B: And then were you asked soon? What was the timetable? As soon as Abe was selected as Dean?

A: Within a few days he approached me. I was up in Canada visiting my parents with my family, and he called. I said, "Abe, I know what I want to say but wisdom tells me I ought to at least sleep on it." So I called him the next day and said I would do it.

B: Why do you think Abe came to you, Al?

A: What he told me was that he'd been thinking about it and he had talked to people in the School. There was nobody who had blackballed me! (laughing) I had served as chair of the doctoral program for a few years so I had had some substantive contact with faculty outside the Management Science area.

G: Did you bring Sharon Cayley into her role? She just retired.

A: Did she really? I wish I had known that. She really ran it, she was indispensable.

B: And he probably wanted someone from another part of the School.

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A: He did. That was part of it, certainly. I remember when I told him that I'd take the job, I said, "Abe, I've never undertaken this level of administrative responsibility before, but I was honored and delighted to be asked." I didn't use the word "courage," but what was in my mind and I remember telling him I felt I could do the job because I believed I knew the faculty pretty well. On numerous occasions over the next eight years I would approach him after some meeting and say, "You're not going to believe this Abe. but here's what happened..." And he would smile and say, "Well, you know the reason you're in that job is because you know the faculty." (Laughing)

B: You didn't know the faculty, though, until you saw them as associate dean!

A: That's right. This reminds me of another story I have to tell you about Eli. Eli came by early, I don't think I was unpacked yet. I knew him only slightly and I really didn't know him personally. But he made a point of coming in and talking to me and discussing the role of associate dean. Eli related the story that when he became associate dean somebody had come and visited him and explained to him that the relationship between the associate dean and the faculty was akin to that between a dog and a fire hydrant. I mean, you know Eli's humor! (laughing)

G: You're there for the faculty; the dean is there for the external community.

A: Yes, that's right. That was the inside/outside model.

B: I'm sure there's a lot to talk about. But as you think about what you were doing, what were some of the significant milestones, accomplishments, issues, problems? What was the terrain like?

A: There was a lot of unease in the School. In many ways it was a manifestation of a very healthy ambition: "We want to be bigger and better. We want more resources." This was at a time when salaries were breaking. I remember the battles Abe fought when he would go to

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Academic Council to make appointments, and in particular the annual salary review. I don't know if the Institute still does this, but in those Abe would go to Academic Council with a thick notebook that listed faculty rank, current and proposed salary, etc. One of the reasons why he was a wonderful choice for this job was because of his credentials as a labor economist and negotiator. He used to tell me that one of his major challenges was to educate Academic Council about the nature and function of internal labor markets.

As I said, the School was ambitious, and I think to some extent, it felt under-appreciated, under-resourced. And internally there was this very loose structure. So Abe appreciated the desire to address those things more or less simultaneously. What Abe and I certainly concurred on was we needed to pull together a structure for the School so that we could move ahead with some of these initiatives. That was when we came up with the idea that we would have a faculty and staff retreat, which we did. We talked about the agenda of issues and planned the process quite carefully. The retreat followed the usual format, structuring discussion groups, getting the right mix of people in them, and trying to come out of the meetings with a sense of direction and commitment. Those were pretty heady times. That was also when we rejuvenated the Sloan Building. I remember at a faculty meeting Abe telling the faculty: "Listen, you wanted better facilities. This is Beirut Modern." It was dusty elevators.

To get back to Bob's question. There was the internal side of it, which I was primarily involved in. But there was also the relationship between the School and the Institute. Also, something that was very complicated—and which Abe was in many ways uniquely able to deal with—was the relationship between the School and the Economics Department.

B: Because he had an appointment in Economics, right?

A: He did, yes. And one of his best friends was Carry Brown, who was chairman of the Economics Department for a long time.

B: Was it your idea to bring John Little into the new area called Behavioral and Policy Sciences?

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A: When Abe and I started to have these discussions, I had some sense of how the other two parts of the School were organized or not organized. In the early days of being deputy dean, I went and talked to people, and they came and talked to me. So I had a sense of that, and a lot of it crystallized when we had the retreat.

One of the things that came out loud and clear, for example, was that we were being left behind by developments in the accounting field. Accounting at Sloan was housed in the Management Science area, more by accident than design. It was a diverse mix of traditional accounting and the “control” orientation of “Managerial Accounting that morphed into planning and information systems in the computer era at the Harvard Business School where Michael Scott Morton had done his doctorate. However by the early 1980’s the economic modeling and financial economics orientation had emerged as the dominant paradigm for accounting research, particularly at Chicago and Stanford. So we were unable to attract the best talent in accounting to Sloan. Accounting recruits would visit and ask: “Who will be my colleagues in accounting?”

“Strategy” was similarly fragmented. The “planning” component of strategy was an interest of Scott Morton, and to some extent Jack and Zannetos were part of the Management Science area. Michael Porter’s “Competitive Strategy” was gaining prominence elsewhere; Sloan’s required introductory micro course covered the basic Industrial Organization concepts that formed the foundation of Porter-style “strategy.” they weren’t doing what has become, as we now know it, strategy, which is partly driven by Porter-style economics. By then Arnaldo Hax had joined our Operations Management faculty in the Management Science area. His background was in OR but he had worked at Arthur D. Little, taught at Harvard. So again and had a different view of strategy. “International Business” was another strategy-oriented subject taught at Sloan by Dick Robinson and was a major interest of Don Lessard in the finance group.

It was evident that each of those fragmented fields, accounting and strategy, needed leadership and unification to recruit faculty, develop curriculum and research programs. We were out of step with other major disciplinary-oriented business schools and a different organizational structure was needed to strengthen our position. Those were the big structural issues that came to the fore at the beginning of Abe’s deanship...

To get back to Bob’s question. John Little had succeeded admirably in building a divergent collection of ambitious faculty into productive and cohesive organizational unit. I

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remember John and me discussing Ed Schein writings on organizational culture and how those ideas applied to the evolution of the Management Science area. A small group of faculty, one from each of these small sub-domains that made up the Management Science area, used to have meetings every Monday morning in John's office at about 8:00 AM. We discussed a rolling agenda of school and unit business. Sometimes we would smoke cigars! Arnoldo loved cigars and we would be in Little's office lighting up. It seems so bizarre now!

Anyway, cigars were a fleeting part of building a culture in the Management Science area... I was a committed proponent of that, and when I became deputy dean, I thought that's what we needed to do some of that elsewhere in the school. I think I influenced Abe in that respect, but he was the one who said to me, "What do you think if we ask John to do that on the 5th floor? Do you think there's any way in the world that he would say 'yes'?"

I said, "Well, it won't be easy, but yes, I think I know how to appeal to him." There's nobody who loves this Institute and cares more about it than John.

B: Right. It was eight years that you were deputy dean?

A: Yes.

B: During this period, as I remember, the curriculum got changed. It's not easy to change a curriculum, so what's to be said about how that process happened? There are so many irons in the fire when it comes to curriculum. You're dropping some courses that are required, it's tough.

A: It was. But again, I think it came out of that retreat we had, there was considerable momentum, and buy-in for change there.

G: When and where was the retreat?

A: We went down to Newport. The substance and support for a number of changes got started there. There were a whole bunch of issues that surfaced. For example, the courses that

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were required were very few. They included, needless to say, the micro and macro courses taught by our Applied Economics faculty. Management Science faculty taught optimization/mathematical program, basic statistics, and introductory information systems. We had this limited core that was very discipline-based, emphasizing quantitative analyses. Most of what was required had that flavor. So the feedback we got from MS students along the lines of: "I came here to become a manager. When am I going to get any real management courses?"

The way the required core curriculum was set up, each term in the first year students had room for one or maybe two electives, whatever you wanted. Marketing was not required. I believe an organization behavior course was also a core requirement.

The faculty took the student feedback seriously and somebody dug out the course registration statistics and discovered that a large fraction of the incoming class took the strategy course in their first term order to satisfy their appetite for learning something about management. However, our offering in strategy was intended to be a capstone course. The students' criticism was taken to heart and the Master's Program committee proceeded to make some changes.

G: And of course it was an MS then, it wasn't MBA.

A: That's right. That was another requirement that was discussed and ultimately changed. There were those who wanted to get rid of the thesis requirement. I was not one of them. I really liked that process and that experience and learned a lot from it. As a matter of fact, I published a paper last year, wherein I cited two of the Sloan Masters theses that I had supervised.

In any case, there were a ton of curriculum requirement questions like that. The faculty sought to address them in a thoughtful but determined manner that reflected a spirit of "These are changes we have to make if we're going to become number one."

G: The challenge in redesigning curriculum is you need different departments to cooperate with one another to prioritize education offering and get people to collaborate.

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A: Right. I was most involved in the reformulation of the first-year Masters curriculum from the Management Science area. Essentially, the idea was that we wanted the material to understand that courses constituted the building blocks of a decision support system. We stressed that as managers of the future, decision support systems would be an integral part of their work environment and they needed to have a firm grasp of the fundamentals underlying such systems. We wanted the students to appreciate the content of the required courses in optimization/statistics/information technology within the integrating framework of a decision support system, rather than as discrete, fragmented subjects

B: Shifting to part of the job where you recruited faculty and managed the whole tenure review. That's a big task...

A: It was, yes. After the first couple years, we moved into a phase of recruiting more faculty. BPS brought John Carroll and Max Bazerman on board to give the unit needed expertise in behavioral decision theory. Similarly, Eleanor Westney was recruited as an organizational sociologist with interests in international business.

Recruiting faculty was a big challenge in accounting, where we didn't have critical mass or much credibility. The strength and reputation of our applied and financial economics faculty were indispensable assets in overcoming those disadvantages. Stewart Myers deserves credit for proposing that accounting become part of the Applied Economics and Finance area. He stepped up to the plate and provided the leader needed to make that happen in his wonderful way – quietly determined and deeply committed. I have the highest regard for him. Not only did he spearhead the recruiting of new faculty but he also went out of his way to mentor doctoral students in accounting as he recognized that if Sloan were to become a serious player in accounting, we also needed to attract and graduate first-rate doctoral students. Recruiting Paul Healy from Rochester was an early recruiting success we had. Paul served as deputy dean for a period at Sloan. One of the first and most successful of Stew's doctoral students in accounting was Krishna Palepu, who went directly to Harvard after completing his Ph.D. Paul Healey and Krishna became close friends collaborators and later Paul joined Krishna at Harvard,

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B: Oh, Paul Healey! He's responsible for the point system of how we count up courses and students loans.

G: He developed metrics, which then took on a life of their own.

A: Yes. I must confess that counting course credits and faculty load were issues raised at the Newport retreat I mentioned earlier. It was a delicate subject where we were unable to develop a consensus and I recall it was one of the pieces of unfinished business I passed on to Arnold Hax when he took over as deputy dean.

B: You can talk to some people in the School who would say it's not very functional.

A: The same thing is true at HBS. Bob, did you ever know Dwight Crane? He was a member of the finance faculty.

B: I didn't know him, I know the name. Wasn't he in the administration at some point?

A: Yes, right. It was a year or two after I joined HBS that the metrics there underwent some changes. The metric became known as Crane Points. When a faculty member was asked to teach some course or chair committee, the response often was: "Well, how many Crane Points will I get?" Equity in faculty loads is one of those universal and timeless issues. Going back to my Sloan years, I think what became BPS faced the most difficult and challenging issues relating to integration, coordination and the division of labor.

B: You'll be interested that what used to be called the Industrial Relations Group and Organization Studies have merged. Not their doctoral programs, but just about everything else.

A: Right. I recall at the time BPS was being formed human resource management was proposed as a unifying or bridging concept and had some standing in the outside world.

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The Strategy group was there but under-populated and then Arnoldo transferred from the Management Science area to BPS and became active in the leadership there. Michael Scott Morton and Zenon Zannetos also moved to BPS and were part of the strategic management sub-group. But here again, those changes were not easily made and required a lot of negotiation.

G: Again about curriculum, when you say Strategy, how did it fit into the curriculum?

A: It was time when that field was in a transition from the traditional HBS “Business Policy” paradigm to a more social science based perspective that drew up on planning and decision-making theory, classic industrial organization theory, and the origins of what has become organization economics. Thus proposals arising from the BPS-based Strategy faculty would often be met with some skepticism, mostly healthy, from our Applied Economics faculty. There was a tendency to question what was substantively unique or new about “strategy.”

B: Right. George, you have some themes you want to pursue?

G: As we talk about your transition from when Abe stepped down and Lester took over for Abe, I am curious, did you step down with Abe at that time or did you help manage that transition with Lester?

A: I stepped down about the same time, or shortly after. I decided I didn’t want to throw my hat into the ring to be a candidate for the deanship. Lester asked me if would continue as deputy dean and I declined. It was a complicated time in my life. I had just been divorced and, as I said, I made the decision that I did not want to be a dean. I wanted to re-start my research career, so I really needed a sabbatical. But at the same time, because I was recently divorced and my three children were all in high school, I didn’t want to go away some place, which I would have been otherwise inclined to do. So I ended up going to HBS. I called the people up there I knew and asked, “Can you give me a desk and a phone?” I fully expected to return to MIT and spend the rest of my career at Sloan.

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G: What lured you away?

A: There were several things that made Harvard attractive. By the time all this was going on, Diane (Wilson) and I had begun to develop a personal relationship. Soon after we began to see one another, she and I went to see Abe. We informed him that we were developing a serious relationship and sought his advice. She was a Research Associate heavily involved in “Management in the 1990’s” research program and we were concerned about conflicts that might arise or be perceived as a result of our work and personal relationships. Abe was wonderful about it and immediately directed us to see Mary Rowe. Did you know her? She was Paul Gray’s ombudsperson.

G: She’s stepping down this year.

A: Is she? I’m glad you mentioned that. Mary was very helpful and provided us with wise and professional advice. Nonetheless, there was some discomfort in some quarters at Sloan about Diane’s and my relationship. I recognized it was going to affect Diane more than me, at least directly. So that became a consideration in my decision to leave.

 During my sabbatical year at Harvard, I discovered the place was different than I had thought it was. One of the things I really respected was what went on in the classrooms at HBS, the commitment to teaching. Since I knew I wanted to go back to teaching and a research, I began to realize that HBS was a place where I could learn a great deal and pursue my research agenda.

 So one day when Bob Dolan knocked on my door and inquired as to whether I would be interested in discussing staying at HBS. To my great surprise I said, “Yes, I’ll listen.” At that time, the marketing group at HBS was having a difficult time recruiting and retaining faculty. Because of HBS’ tradition of emphasizing teaching and field-based research, it had developed a reputation for being an environment inhospitable to the kind of social science-based research that was dominant elsewhere. I represented a different orientation and had some credibility they were seeking. I felt that having been deputy dean here, I knew something about

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how you recruited faculty and what it took to capture and develop them. So all of those things came together and I thought, “If I’m ever going to do anything different, now is the time.”

B: Well, this has been fantastic, to have you back, and have you recollect.

A: Happy to do it.

B: Is there anything we haven’t covered, that as you’ve thought about this you say, “Maybe I should...”

A: There were really some battles that Abe fought with the administration, particularly around salaries and resources. We were often asked: “Why do you guys at Sloan always have to be different.”

I remember when we wanted to establish our own placement facilities here. I wasn’t at that meeting, but Abe related it to me. I think it was somebody from Engineering, probably who said, “Why can’t you guys just use the same facilities that we have?” Abe tried to explain to him what was going on in the field and the recruiting methods and standards and so on. That was a hard sell.

It’s always struck me that the governance structure at MIT is so different than up the river, where every tub is on its own bottom.

B: And every dean has to renegotiate the so-called “treaty.” That was always the word. “What’s the treaty between Sloan and the Institute?”

G: As we heard in our interview, which may interest you, a reason Dick Schmalensee accepted the Dean’s position was because he got an indication that they were willing to negotiate that if he was going to be Dean. He realized the importance of that and how that was a key piece of his contribution, among some other things, curriculum and then building.

B: OK. I guess we can end the interview.

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END OF INTERVIEW