



THE ROYAL BANK OF CANADA

MONTHLY LETTER

Vol. 40, No. 5

HEAD OFFICE: MONTREAL, JULY 1959

Education for Success in Business

EDUCATION has many experts, lay as well as professional. It is looked upon as being something like politics, in which one is supposed to have an intuitive knowledge. Theories abound on all levels from the class-room to the ministry of education. Even kindergarten pupils have opinions amounting to deep convictions.

Some notions quoted in the newspapers are regarded by readers as a source of innocent merriment, but there is nothing amusing about any theory that encourages young people to be satisfied with anything less than an education that is the most complete and well-rounded available to them.

Many a youth has been lured from school with only a part education. In terms of immediate physical satisfactions the importance of getting promptly on a payroll seemed compelling.

After a few months the youth learned that his was a dead-end job, making use of only one skill, without opportunity to flex his mental sinews. His knowledge fell short of what was needed when the test came for promotion. He learned with some shock that no escape route has so far been found from the established discipline of education.

What education is needed?

An eminent business man may not be able to put into capsule form the secret of his progress. He may say that it is the over-energetic operation of a gland, or his competitive spirit, or some sort of second sight or sixth sense. Behind all that speculation there is one fact easily seen and understood: he knew things when the knowledge was needed.

Even to get a decent start in business a youth needs a good basic education. A survey in Canada a few years ago showed that boys and girls who dropped out of school early had more difficulty than graduates in finding jobs, they took work of a lower grade, and they received less pay. Officials of the National Employment

Service in Montreal announced in June that two out of every three unemployed people looking for work have had an education which stopped at grade eight. Even among boys looking for white collar jobs, the average grade level reached only 8.7.

Evidence of the need for education makes itself felt more strongly in the succeeding years. Every thought for the development of business and for improvement in its methods has its origin in the mind of someone. Cultivation of the mind, therefore, is essential.

During the past half century there have been great changes in the availability of resources and the amount of mechanical energy to develop them. Methods of production have been revolutionized.

In the shadow of such changes it is futile to argue that the era of the narrow expert has arrived and that of the scholar has gone. Every product, process and job must be related to the whole picture. The timing of plant expansion or the marketing of a new commodity or the flotation of a loan: these require an intimate understanding of the state of our national economy within its world-wide setting.

Some business qualities

The personal qualities required in business, in addition to wide general knowledge, include these: an objective personality by which a man is enabled to work well with other people; accounting aptitude; creative imagination; structural visualization, by which a man thinks in three dimensions; reasoning ability, which enables him to form a logical conclusion from scattered facts; the power of observation, and a desire to do things.

These are not developed by a man who is content to operate a comptometer or interpret a statement of affairs, important though these skills are. Something more is needed: something to liven and keep the whole mind alive.

When he was opening a new technical college, the Duke of Edinburgh told his audience: "If the students

here are to be of real value to industry you must foster in them an adventurous spirit and flexible minds. Without that you might just as well turn this college into a computing-engine factory.”

Mere knowledge of techniques makes no contribution to the mastery of problems of human attitudes and human behaviour which so dominate the waking hours and thoughts of business men these days. A business man has to relate himself to other business men and to people in all sorts of occupations. He has to know the purposes and motivations of the society of which he is a part.

Some business executives thought they had solved their problems of human relations by delegating them to specialists in personnel and public relations, but soon the executives found that there was no escape from their dilemma. They themselves had to cross the barrier and explore the mysteries of that great enigma known as public opinion.

This meant new experiences in the art of communication. Facility in communication in business does not mean proficiency with electrical circuits or electronic devices or dictated memoranda: it does mean having the ability to express facts, ideas and conceptions in understandable language.

In the days celebrated in Ossian's poems the chief carried a shield with seven metal bosses, each having a different sound. When the chief struck a boss with his spear, he conveyed an order to his tribe.

That was a simple sort of communication, and it was one-way. Today's chief must have basic skill in the two-way use of language: reading and writing, listening and speaking. Every hour of the day, from the humblest clerk at his desk to the executive in his office, coherent language is the tool with which business works.

Another quality needed in business is courage. A man going into business, whether as a clerk or a proprietor, must be prepared to suffer set-backs and wounds, but he can develop strength and character so as to confront the facts of life with confidence.

This quality is not to be had through soft living, by evading issues, by escaping from tests. Examinations in school, decision making in personal life, and the first tentative steps alone in business: all these are conditioning factors. Much is said about "adjustment to life", but the most important adjustment anyone can make is to learn to meet with resolution the inevitable challenges of his own existence.

Keep learning

Are there any short cuts? Is there any substitute for sound training in mathematics, in natural science, in grammar and composition, in languages and history?

Easy methods seem to be a dogma on this continent, but the budding business man cannot reduce the principles of commerce to a game at cards, or the problems of management to puzzles and riddles. There is no way of inscribing a lesson on a pill that gives wisdom by swallowing it.

Education is not for people who resent the disciplines of scholarship. It is a process stretching over years of diligent effort. It cannot possibly result from swotting up study outlines to pass examinations, or gorging digests of books so as to write essays.

Because business needs creative people with broad knowledge and capacity for independent thinking, its apprentices need not only to progress from where they were on leaving school, but to make up what they left school without having learned. The difference between the relative success of enterprises is in the qualities of the people who work for them. These qualities do not come by inheritance or by chance, but by continued study.

Whatever his background, the ultimate test of any man's education is his capacity to carry forward his further education from where he finds himself at any moment. He will develop, little by little, the insight that gets him invited to join in general business counsels, the ability to marshal facts and the judgment to put the facts together into a meaningful pattern.

No one will learn all he needs to know, or become all he wishes to be, merely by reading the twenty-six volumes of the Alexander Hamilton Institute *Modern Business* library, or taking a course in business administration, but he will have a better chance to learn and become than the man who does not read or study.

Other men's lives

Some people deprecate reading biographies. They say "you have your own life to live: what possible use can it be to you in business to learn how somebody did things fifty or twenty years ago?" But men in business in all times, whether in Babylon the Great or Victorian London or today's St. James street, have been first of all men. The techniques of business handling may have changed, but the basic problems of business are human problems, unchanged by the passage of years.

Would it not be useful to the man of today to read how Andrew Carnegie solved the problem of a balky associate? How Donald Smith, one of the builders of the Canadian Pacific Railway, won over a hostile trapper? How Edward Bok, editor and builder of the *Ladies' Home Journal*, made his first impact on the business world by the letters he wrote? How Gerald Swope as a salesman, later to become President of the General Electric Company, learned by a mistake how to write a report? How Rockefeller, Marshall Field and

John Wanamaker boosted business by tuning in on the people, listening to them talk? How Timothy Eaton learned practical public relations by standing at his store door? How George Westinghouse rescued his company from receivership by putting up a bold front?

The young man starting business and the executive directing business may learn by the experience of others with far less pain and travail than by their own experience. They need not, if they will study case histories, walk down the blind alleys of the past. The skill they must cultivate is that of applying other cases to their own.

No one can climb by staying on the same level. We need to rub shoulders with the elite in thought and expression, and though we do not grasp all of it, some will cling to us, and by that much we are the better.

Two points of judgment

By what are we to judge whether we need further education? The two tests in business are these: are you able to think clearly and to solve problems wisely?

The capacity to think straight will put a man at home in any circumstances. But to think straight requires that the man have some standards against which to compare and judge propositions. Effective thinking is directed to some purpose worth the effort, logically carried out so as to arrive at sound conclusions.

Honest thinking is based upon the fullest possible knowledge available at the moment. It is what holds together the mass of facts we accumulate and puts them to use. Our education should be directed toward cultivating our aptitude for action, moving us on from the gaining of knowledge to its expression.

Education for business includes learning to weigh and consider without lost motion or waste of time, without bluster and argument. It should inculcate a capacity to discriminate between values, with an eye on ways and means and ends: it should train a man to put his problems into simple form, resolve them into manageable size, and then to formulate a hypothesis.

An object lesson in solving problems may be gained from the photographer. Having set his camera on a commanding spot he may use three lenses. The first, the wide-angle lens, gives an over-all view, showing the relationship of the thing or event to its general environment. Next, he uses a normal lens to sharpen the picture of the thing or event in its immediate surroundings. Finally, he puts on his telephoto lens for a view of the thing or event segregated and detailed.

More than useful

The sort of education needed by the person in business is more than merely useful. Some people are

carried away by a utilitarian philosophy which regards the sole purpose of knowledge and education as contributing to some "useful" purpose.

"Men are men," said John Stuart Mill, "before they are lawyers or physicians or manufacturers; and if you make them capable and sensible men, they will make themselves capable and sensible lawyers or physicians or manufacturers."

Without preparation other than a specialty, where does a man stand? If there is anything certain under automation it is that the job, even the bottom job, will change radically and often. Once a man has demonstrated his mastery of one job he must be ready to tackle something for which he was not trained. He needs fertility of thought and the ability to adapt himself to a world of fluid possibilities.

How is one to avoid technical hypnosis or personal stagnation? Only by getting out of the narrow world of the specialist through general education.

While a gardener looks upon the flower as the thing toward which everything else is subordinate, he has learned that the root and leaves are intrinsically of greater importance, because on them the evolution of the flower depends. He knows it would be folly if, in his eagerness to obtain the flower, he were to neglect the plant.

It is general education that adds breadth and depth to technical skill and competence. Dr. Clarence B. Randall, Chairman of the Board of Inland Steel Co., said to graduating students at the Massachusetts Institute of Technology: "I employ men for their proven capacity to learn. And in the steel industry I care not whether the man masters metallurgy or the Greek classics as long as he has that final intellectual capacity. I want the precision found in the metallurgist but I want also the power to appreciate the logic and clarity of expression of the Greek philosophers, for both those qualities are required in business."

General education is needed in general living, too. None of us can become expert in all fields of work, so everyone is compelled to trust the judgment of other people in most areas of activity. Everyone of us must rely upon the judgment of his doctor, lawyer, plumber, television repair man, building contractor, and so forth. Therefore he needs the sagacity by which to distinguish the expert from the quack, and the better from the worse expert. William James said that an educated person knows a good man when he sees him.

Liberal education

Liberal education is not justly to be regarded as something dry, withered and effete; it is as full of sap as a maple tree in spring.

The best way to cultivate the bigness of mind needed for success in business is through the liberal studies.

They enlarge the understanding and deepen the insight. They develop accuracy in observation, quickness and certainty in seizing upon the main points of a new subject, and discrimination in separating the trivial from the important in great masses of facts. They contribute to mental power in situations that cannot be predicted in detail.

A business man can only discharge his responsibility to his job and to society and to himself if he knows what is going on around him and why it is happening. Public opinion surveys on matters vital to business, national and private life show large numbers of people who have no opinion. Analysis of the surveys reveals that the more education a person has, the more likely he is to avoid this demeaning role.

Admitting the need for a liberal education, how is one to acquire it; what is one to study?

The liberal arts, which were arts appropriate to a free man, were originally seven: grammar, rhetoric, logic, music, arithmetic, geometry and astronomy. The purpose in teaching them was not to stuff the memory with facts, but to train students to use their minds, to develop intellectual curiosity, taste, moral principles and imagination.

The scope has broadened to include such disciplines as literature, languages and the fine arts, but the basic purpose behind their pursuit is still the same. Liberal studies equip a man with fundamental powers of decision and action, applicable not only to selecting a life-work and to choosing a firm with which to work, but to all the great and varied concerns of human life, including the ability to cope satisfactorily with events that were unforeseen.

Through liberal education the accumulated thought and all the experience of mankind are ours for the taking. Out of these we evolve principles. We may define principles as personal rules of conduct which we have adopted after testing their validity.

There must be something more behind principles than mere knowledge. Like the shepherd in Shakespeare's *As You Like It*, we all know that it is the property of rain to be wet, and fire to burn, and that a great cause of the night is lack of the sun. Sooner or later we must progress beyond acceptance of bare facts and observations, and learn to extract ideas from two or more widely separated places or sources and cross-fertilize them. Then the simple shepherd will know that fire brightens the night, but if rain threatens he had better build his fire in a cave.

Business in action

Look at a business man in action. All day long there are passing across his desk the opinions of other people, every one of whom sees only one segment of

the total picture. There are letters from customers and prospective customers, each worried by his own problems. There are memos from departments — production, shipping, purchasing, accounting. There are suggestions from department heads and complaints from shop foremen. The business man must evaluate these with an eye on the relationship each bears to all the others. And he must do it promptly, steadily, with a high batting average of accuracy.

Behind his decisions stand the principles he has learned — the laws that govern his business life. Like everything else in existence, from atoms to the stars, business is governed by principles, not by chance. The business man must be able to apply old principles to new challenges. The aim of philosophy, said the Stoic teacher Epictetus, is to examine and establish the rules: and to use them when they are known is the task of a wise and good man.

One of the greatest philosophers of our own century, Alfred North Whitehead, said it this way: "The really useful training yields a comprehension of a few general principles with a thorough grounding in the way they apply to a variety of concrete details. In subsequent practice the men will have forgotten your particular details; but they will remember by an unconscious common sense how to apply principles to immediate circumstances."

Summing up

The young man preparing for business should not regard his high school matriculation certificate or his university degree as a ticket to a job, but as evidence of education completed to the best of his ability and resources. Mere training for a job ticket does not produce a full man, ready for opportunity; it may, in fact, produce little more than a mechanical, unthinking, man, doomed to stagnate in routine.

When he walks out of the school door for the last time, a young man should carry with him knowledge that enables him to stand up in life without a fence around him.

He should know the answers to these three questions, and be prepared to go on from there: 1. Where am I? What sort of world have I got into? 2. Where am I going? What is my ambition for betterment of my material, intellectual and social state? 3. What had I better do under these circumstances? What special faculties have I to develop?

The sort of education required in business is the kind that teaches men to meet real situations adequately. That sort of man will not think meanly of his job, but will think greatly of his function. He knows that wisdom, not a bag of tricks, qualifies him for his business.