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Business schools and the Spanish business elite since the mid-twentieth century

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ABSTRACT

Literature has emphasized the key role of business schools in spreading US management in Europe after the Second World War but has not found how to quantify its impact on the business systems. With such purpose, this article examines the relations between the pioneer Spanish business schools and the national corporate elite. By combining an institutional approach and social networks analysis, it shows the incidence of business schools on the board of directors of the largest Spanish firms during the second half of the 20th century, and explains their role as centers for business elite reproduction.

KEYWORDS

Business schools; business elite; managerial capitalism; corporate network; interlocking directorates

1. Introduction

It is usual to find references to renowned business schools among the curricula of individuals who lead the largest companies of any developed country. While the debate about what is the differential factor that they confer to their students is still open, there is an obvious close relationship between these educational centers and the world of big business. Institutions such as Harvard Business School, INSEAD or IMD, spread all over the world, enjoy a high international status, and their names automatically linked to successful people and exclusive educational programs designed to train leaders of socioeconomic elites.¹ During the last two decades, two Spanish institutions frequently appear among the highest positions in the rankings of the world's top business schools: the *Instituto de Estudios Superiores de la Empresa* (IESE), whose Executive Education programs have been evaluated by the Financial Times as the best in the world in 2015, 2016, 2017 and 2018; and the *Escuela Superior de Administración y Dirección de Empresas* (ESADE), regularly in the top-10 in the rankings elaborated by this journal.²

Throughout the 20th century, US-inspired business schools spread around the world within the so-called process of Americanization of management.³ This historical process was neither homogeneous nor synchronous but occurred in different degrees as it faced national peculiarities, resulting not in local replicas, but in hybrid configurations (Kipping, Üsdiken, & Puig, 2004; Zeitlin & Herrigel, 2000). Therefore, it is necessary to contextualize the

singularities of the countries to understand the causes, dynamics, and scope of such phenomena (e.g., Amdam, 1996). The Spanish case is especially suggestive to address some of the issues highlighted by the specialized literature.⁴ First, the Americanization thesis that associates the emergence of business schools with late industrialization processes. Second, the relationship established between large modern corporations, managers, and business schools. This raises the debate about what kind of business leader required the new scenarios of half-century; and to what extent business schools contributed to encode the identity of this social group. Third, the Spanish case is useful to contrast the determinants of its singular success already identified by historiography, namely: its ability to adapt foreign practices to local characteristics, and the role of the links they established as business modernization agents (Puig & Fernández, 2003).

Here is presented a quantitative and qualitative analysis of the relationships between these two pioneer business schools and the system of actors to whom they focused their services. As a historical process, the national trajectory is examined by associating the schools both to institutional changes, as well as to the dynamics of the large Spanish firm and its directors during the forty years after the foundation of the schools (1958-2000). Special attention is given to the participation of business school students in the national corporate network, here addressed through social network analysis (SNA). This procedure will allow us to define the agents, the location and the sectors of activity influenced by the business schools and, especially, their potential capacity for collective action, in order to contrast if the arrival of business schools promoted an institutional change by introducing notions of managerial capitalism.

In that sense, the text is structured as follows. After this introduction, the second section exposes the singularities of the Spanish case before the arrival of the American-inspired business schools. The third section quantifies the incidence of business schools on the Spanish business elite. The fourth section analyzes, following the previous literature, the reciprocal interaction between the business schools and the Spanish business system, with reflection on various items: 1) the most developed industrial areas of the country; 2) affinity with the predominant business, social and religious groups; 3) and the most relevant sectors and companies of the national economy. The fifth section analyzes the role of business schools as elite recruitment centers, as well as within the Spanish network of interlocking directorates. The text closes with the conclusions and discussion of the last section.

2. Emergence and expansion of business schools. The American model of management and the Spanish case

The first business schools emerged in the United States, France, and Germany in the context of the second industrial revolution of the late 19th century.⁵ The different management education models that emerged in these three pioneer countries were being gradually taken as reference by the rest. Subject to the different national characteristics and to the different stages of industrialization, management education centers spread throughout Europe and Japan since the beginning of the 20th century (Engwall & Zamagni, 1998). Since mid-century, the US model was the most widespread among them. American-inspired business schools are identified as institutions of a certain stage of capitalist development: managerial capitalism. Its existence is, therefore, inseparable from the global deployment of the large modern enterprise. The establishment and expansion of the modern industrial enterprise led to a

growing demand for individuals qualified to lead the new multidivisional structures. With the progressive rationalization and professionalization of managerial practices, the new educational institutions become important enablers of the system, and a new class of business leaders, the managers, began to form within them. This new social class should lead the industrial development by establishing the hierarchy, strategy, and structure of the modern industrial enterprise in substitution of the founders and owners, during the period known as the Managerial Revolution in the United States (Chandler, 1993).

The great diffusion of American conceptions through the rest of the world occurred once the Second World War ended. As the United States consolidated its global leadership, its productive and industrial model was taken as a benchmark of success for other capitalist countries (e.g., Amdam, 2007; Juusola, Kettunen, & Alajoutsijärvi, 2015). The European Recovery Program (ERP), commonly known as the Marshall Plan (1948), was the main institutional frame for the transfer of US practices to Europe.⁶ Nevertheless, the dissemination of the American notions of management throughout Europe required, in addition to the US forces, the particular demand interest in specific national arenas promoted by local agents (Engwall & Kipping, 2004). Thus, reaching different degrees of isomorphism in its space of interaction with the dominant local institutions and actors, and intimately linked to the industrial and entrepreneurship development of the countries, business schools were established as enabling centers of the economic model that was being deployed worldwide.

While these processes took place in the rest of Europe, Spain experienced a long international isolation. The perpetuation of a dictatorial state once the Second World War ended, and *de facto* complicity with the Axis powers during the conflict, meant the rejection of the international community.⁷ The country was excluded from both the Marshall Plan and the possible transfer channels by international organizations. In addition, the autarkic policies adopted by the Franco regime after the Civil War plunged Spain into a deep economic and social crisis. The protectionist and discretionary institutional framework of the dictatorship confined the possibilities of the large Spanish company, which did not resemble its foreign counterparts, neither in size nor in management and dynamism (Carreras & Tafunell, 1993). Spain did not seem to meet the requirements for the arrival of modern management conceptions: neither a favorable geopolitical status nor propitious material conditions for the introduction of modern managerial practices.

The inflection to these conditions occurred when, with the tensions of the Cold War, the United States considered the Spanish territory as a strategic destination for its military bases. Spain accepted this proposal in exchange for receiving economic aid, military equipment, and technical assistance. Almost simultaneously, a shift took place in the economic policy of the regime which, under external influence, seemed to abandon -not without resistance- the autarkic principles. It was necessary to unlock the national economy through a gradual movement of homogenization, or isomorphism, with the new economic rules. This change of mentality within the Francoist government became symbolized by the arrival to power positions of the so-called 'technocrats', a new class of leaders who supported the ideas of rationalization and productivity according to the recommendations of international organizations (Delgado, 2012).⁸

The agreements signed with the United States (Pact of Madrid, 1953), allowed Spain to participate in the assistance programs. Due to its economic backwardness and its socio-political characteristics, Spain, along with other Southern European countries, formed a separate category within the agendas of the US aid institutions, whose assistance

sought mainly to encourage endogenous changes (Álvaro, 2011a, p. 86). To this end, the formulas of the American system were transmitted to actors with great influence on Spanish society through stay and exchange programs.⁹ Many of these previously well-positioned leaders belonged to the Spanish business elite that established the pro-American associations and the foreign contacts responsible for promoting the modernization of management practices and the foundation of the first business schools in the country (Puig & Fernández, 2003).

The American professionals who participated in these first exchange programs pointed out that the recruitment of European elites responded to a traditional and collectivist selection within a closed circle of kinship, class background and personal contacts ('sponsored mobility'); in contrast to the 'contest mobility' of the United States, where formal skills and meritocratic factors would prevail (Byrkjeflot, 2000). In this sense, the historical evolution of the Spanish entrepreneur was ideally conceptualized with the succession Founders-Heirs-Managers, where managers traditionally constituted a minority group compared to that of founders and heirs (Moya, 1975).¹⁰ This was closely related to the preponderance of family firms in the Spanish economy, as well as to the scarce previous management education in the country.¹¹ Since the 1950s, according to the country's opening movement and in order to increase the productivity and efficient management of large companies, both for the state development agenda and for US-influenced associations, concerns about the modernization of management models began to be a priority (Guillén, 1994, p.184).¹²

Between 1955 and 1958, four American-inspired business schools were founded in Spain: the *Escuela de Organización Industrial* (EOI); the *Instituto Católico de Administración y Dirección de Empresas* (ICADE); the *Instituto de Estudios Superiores de la Empresa* (IESE); and the *Escuela Superior de Administración y Dirección de Empresas* (ESADE).¹³ With the exception of EOI, promoted by the Ministries of Education and Industry, the rest of schools were promoted by the private initiative and linked to one of the two main Catholic institutions in the country: the Opus Dei or the Jesuits. Both EOI (1955) and ICADE (1956), set up in Madrid, were originally oriented to train managers of the public company, especially those linked to the *Instituto Nacional de Industria*.¹⁴ Meanwhile, IESE and ESADE were founded in Barcelona by local entrepreneurs. In 1958 IESE was established as a branch of the University of Navarra, 'entrusting the doctrinal and spiritual aspects of its formative activity to the Prelature of Opus Dei'.¹⁵ Although it did not receive direct American funding, its founders maintained close contact with members of the Harvard Business School (Gemelli, 1998). ESADE was created almost at the same time, with the support of the Company of Jesus, the religious order that already had a long experience in business education through the *Universidad Comercial de Deusto*.¹⁶ ESADE statutes established that its goal was to create a center of higher education to train people qualified to rule companies under a social and Christian vision. Since its foundation, both institutions intended to increase the human capital of executives by promoting corporate culture and management scientism. In Spain, similar to some of less-developed countries, American business schools had a faster and wider reception, constituting a case of exceptional success among them (Amdam, Kvålshaugen, & Larsen, 2003). Since it has been difficult to measure the impact of the management Americanization process (via business schools) on business performance, here is exposed an approximation to measure its impact on the corporate elite.

3. The incidence of business schools on the Spanish business elite. An empirical approach

In order to analyze the penetration of business schools into the Spanish business system during the period 1958–2000, we selected the board of directors of the 200 largest Spanish companies -ranked by net assets- for the years 1960, 1970, 1980, 1990 and 2000.¹⁷ The chosen number of companies reflects the intention to associate business schools with the country's development process of this period. The rankings were compiled with data from the Financial Yearbooks of Bilbao, the Dun & Bradstreet listings, the Dicodi and Axesor directories, and supplemented with annual reports of the companies. To track the directors who were students in business schools, a primary source (the Alumni directories of IESE and ESADE) was used. From these books, information about the type of course and year of promotion of alumni was also gathered.

The boards of directors of the 200 largest Spanish firms showed increasing participation of individuals from business schools since their appearance (Table 1). Two decades after its foundation, business schools already accounted for a significant proportion of the Spanish business elite: at the end of the 1990s, 13% of Spanish directors came from business schools (B).¹⁸ An even more prominent trend is seen if only top management positions (CEOs) are considered. During the period 1980–2000, around 15% of the top Spanish CEOs possessed credentials from one of the two institutions (D). As a comparison, approximately 12% of the CEOs of the 100 largest American firms came from an American elite school (Ivy League) in the same period (Byrkjeflot, 2000; Neff & Ogden, 1999).¹⁹

Given the scarce previous managerial training of Spanish directors, professional managers began to gain relevance during this period, also considered as the golden age of Spanish capitalism (1959–1975). Nonetheless, there was a considerable difference between the two institutions. As previous literature has pointed out, since their creation, Spanish business schools, due to the inadequacy of the official educational field, functionally adapted both to the needs of the market and to the national contingencies (Puig, 2008).²⁰ One proof of this was the tacit distribution of the initial market between schools, responding to the need of creating different educational offers for different levels of management training. Thus, IESE began offering postgraduate management programs for, in the words of the founder, 'vertex people', that is, individuals who were already in leadership positions; meanwhile, ESADE began offering undergraduate courses for people with a business career not yet consolidated. Consequently, the temporary gap between the year of promotion and the year of professional occupation in a top company was greater for ESADE students than for IESE students. As a result, ESADE showed a lower incidence in the business elite: on average, IESE's share was ten times greater than ESADE's share during the entire period. This was also

Table 1. Boards of directors of the 200 largest Spanish firms with students from business schools (1960–2000).

	1960	1970	1980	1990	2000
A. Total directors	2558	2,845	2405	1753	1731
B. Directors from business schools (%)	2.0%	5.3%	11.2%	12.8%	12.2%
C. Total CEOs	238	213	274	245	278
D. CEOs from business schools (%)	0.8%	4.2%	14.6%	14.7%	15.5%

Source: elaborated by the authors.

the impression of the Ford Foundation consultants who, in 1969, observed that 'the Jesuits (and the State schools to some extent) have taken the lower and middle ground, while the Opus Dei is rapidly establishing itself on higher (and more richly endowed) terrain' (Frederick & Haberstroh, 1969, p. 90). This spatial and temporal coincidence between both schools did not entail hostilities. Rather, there were five IESE students among the group of thirteen businessmen who promoted ESADE (Torres, 2016). While ESADE formed intermediate ranks, IESE established itself as an important recruiting institution of the Spanish business elite.²¹ This fact confirms the multiplier effect referred by Juan Ginebra, second dean of IESE, when he pointed out that 'although the number of students will always be small, its influence on society must be very large.'²² To some extent, these new managers from Barcelona schools were a private replica of the manager's corps of the public company coming mainly from the schools of Madrid (ICADE and EOI). The economic liberalization and the privatization of state-owned companies would cause an overlap (or hybridization) between these two paths.

4. Hybridization between US-inspired business schools and the Spanish system

The process of hybridization must dynamically consider a mutual interaction: the adaptation of business schools to local idiosyncrasy; and the adaptation of Spanish business to these new institutions. Regarding the first, just as the business schools varied among the different countries according to national particularities, they also showed differences within the same country according to the regional circumstances. In Spain, there were mainly three industrial areas: Madrid, Bilbao, and Barcelona. Alberto Ullastres, Minister of Commerce at the beginning of this period, placed Spain in an intermediate position between developing and developed countries, stressing the need to regionally locate industrial activity for the achievement of development plans (Ullastres, 1962). Despite the national isolation, Barcelona maintained a relatively consistent and dynamic business environment in some sectors, mainly small and medium-sized family firms of the Catalan bourgeoisie. The confidence generated by the national economic opening movements aroused the interest of Catalan entrepreneurs to seize the opportunity of new markets. As Madrid and Bilbao, Barcelona had the necessary demand and appropriate business factors to establish new management education centers. The great influence of religious organizations in the field of management education in Spain was largely motivated by an attempt to dissociate themselves from the Taylorist postulates of the organization of scientific work, being more prone to a model of human relationships in management (García-Ruiz, 2010). Both Madrid and Bilbao already had institutions of this nature, so especially in the first years of activity, the logical thing was that most of the disciples of Barcelona's schools were Catalans, as one of the key goals of these schools was the creation of links to interrelate with the regional industrial environment and exploit the market niches left by the public company (Puig & Fernández, 2003).²³ This regional correlation was also established between the headquarters of the firms and the three main industrial areas: during the entire period, between 80% and 90% of directors who studied in the business schools, distributed their positions among firms based in Barcelona, Madrid or Bilbao.

In addition to the regional one, business schools also showed a sectoral adaptation (Table 2). When business schools emerged, the largest Spanish firms were industrial (Carreras & Tafunell, 1993). According to this economic stage, technical profiles, especially engineers, prevailed in the first promotions of IESE, whose main positions were in companies of the

Table 2. Sectoral distribution of directors who studied in business schools (%).

	1960	1970	1980	1990	2000
Energy	2	15	19	22	22
Banking and other financial activities	8	38	14	18	10
Agroalimentary industry	2	3	5	7	8
Oil industry, nuclear fuels and coal	0	3	3	8	8
Construction sector	8	3	5	8	7
Telecommunications	–	–	–	2	7
Transport and communication	4	7	7	1	6
Commerce	–	2	1	10	5
Construction material transport industry	6	3	3	8	5
Non-electrical machinery	12	5	6	6	3
Cement and construction materials	2	2	7	2	2
Mining and 1st transformation of metals	22	6	9	2	1
Other sectors*	10	9	15	5	15

Source: elaborated by the authors. *Other sectors include: textile industry, paper, wood, and hostelry, individually representing on average lower proportions than the other listed activities.

chemical industry (e.g., Hidro-Nitro Española, Antibióticos) and mining and metal transformation industry (e.g., Hullera Española, Siderúrgica Asturiana). Such sectoral distribution evolved directly related to the business restructuring of the Spanish economy of the following four decades. The financial boom of the 1970s, with the establishment of large industrial banks, was clearly reflected in the leadership positions of graduates (up to 38% in banking). The subsequent process of industrial restructuring initiated in the early 1980s and the incorporation to the European Economic Community (1986), were accompanied by a progressive decomposition of the heavy industry linked to INI. With the liberalization of the internal market and the privatization of state-owned companies (1980s-1990s), large industrial companies gradually lost weight in favor of banking and the energy sector, which constituted, from 1970 to 2000, the main destinations for business schools' students.

Within these sectors, the directors from business schools reached positions in increasingly larger companies (Table 3). Largely due to its initial regional focus, in the first stage, IESE and ESADE students positioned mainly in companies in the middle and lower part of the ranking of the 200 largest corporations. However, as its influence expanded throughout the national system, its students reached even larger companies: since the 1980s, around 30% of the presidents and directors from business schools positioned in firms in the top quartile.

5. Managers: a new or an old elite? Business schools as new recruitment centers

Considering that both business schools were promoted by pre-existing power groups, it is questionable whether they provided an element of continuity, favoring the self-reproduction of the pre-existing elites; or an element of change, by incorporating renewal patterns by recruiting new external students. To address this question, three issues have been considered from a dynamic perspective: (i) the recruitment process by business schools; (ii) the recruitment process by firms; and (iii) the participation of directors with training in business schools in the Spanish corporate network.

Regarding the first issue, admission fees have historically and globally been a major obstacle to the entry into business schools. The enrollment fee for the first course of IESE (1958) was 25,000 pesetas, an unbearable amount for most Spanish families of that time.²⁴ In addition, IESE preferably sought candidates with a career of at least ten years in management

Table 3. Distribution of the directors who studied in business schools in the ranking of the 200 largest Spanish firms (%).

Firm Ranking	Directors from business schools (%)				
	1960	1970	1980	1990	2000
1-50 (Q1)	8	26	29	31	31
51-100 (Q2)	28	26	30	18	18
101-150 (Q3)	31	30	21	20	28
151-200 (Q4)	33	18	20	31	23
TOTAL	100	100	100	100	100

Source: elaborated by the authors.

positions. This extremely exclusive criterion limited IESE's offer to individuals previously well positioned in the socioeconomic and business system, reinforcing the traditional elitist pattern for recruitment. Further, as members of wealthy families, business schools' students already had an educational level above the Spanish average.²⁵ Although ESADE presented less elitist selection criteria in terms of business background, the handicap has historically also been the high price of its courses. By initially applying exclusive entry barriers, Spanish business schools did not encourage a renewal, but rather a modernization of previously well-positioned leaders. In 1960, for example, the first 20 students of IESE occupied up to 5 positions among the 200 largest Spanish companies. This pattern varied as the supply of the schools was diversifying between exclusive programs and more affordable and accessible programs. Such a democratization strategy allowed access to a wider group of people and, therefore, to new external students. As a result, two stages were observed in the recruitment trajectory of the schools. The first stage of continuity with the traditional patterns, between its foundation and the 1970s, in which they gained prestige by offering exclusive programs for the business elite. And the second stage of relative renewal (1970-2000), when schools began to accept individuals who had not yet reached top positions.

With regard to the firm's recruitment, it is assumed that formal education and credentials provided by business schools should promote competitiveness and meritocratic selection for managerial positions.²⁶ In 1960, only 2 of the 38 directors of the 200 largest firms identified as business schools' students (all of them from IESE), had obtained their educational credentials before reaching such managerial position. The remaining 36 were already top directors before obtaining their educational credential. That is, during the first decade, management positions were the route to business school and not vice versa. Such direction was reversed from 1970 onwards when, in a greater degree, the educational credentials began to precede the managerial position in the directors' career. In 1970, 88 out of 128 directors identified as business schools' students had already obtained such educational credentials before reaching the managerial position.

5.1. Interlocking directorates: directors from business schools in the Spanish corporate elite

The third issue analyzes the relationship between business schools and the Spanish corporate elite, here referred to those CEOs or directors with simultaneous positions in, at least, two boards of directors of the 200 largest Spanish firms. As in many other countries throughout the twentieth century, most of the largest Spanish firms historically had interlocking directors (hereinafter, interlocks).²⁷ The Spanish corporate network is here analyzed as an institution

embedded in a state-influenced market economy (SME) (Rubio & Garrués, 2018). Such a model, which contains characteristics from both coordinated market economies (CME) and liberal market economies (LME), was characterized by the state intervention in the coordination of the economy and by the organization of corporate activity through business groups. For its part, business schools are here *a priori* considered as institutions closer to an LME, where business activity is developed within the framework of competitive agreements, and the different interests are coordinated primarily through market forces. The question is: if business schools promoted the creation of a new corps of managers based on formal skills, and firms recruited directors based on such specific credentials, did the greater presence of directors from business schools promote an institutional inflection in the Spanish way of doing business?

The number of interlocks from IESE and ESADE showed an upward trajectory from 1960 until the peak of 1980, when a downward inflection began (Table 4). However, although the Spanish corporate network itself declined from 1970 onwards, converging with what was observed in the corporate networks of the rest of advanced economies (Rubio & Garrués, 2016), in relative terms the presence of graduates remained above the average levels of the complete set of directors (G/C). This group was represented, on average, in one-fifth of the 200 largest firms (H), which meant that, for example in 1980, 42 business schools' students could potentially establish coordination in about 35% of the 200 largest Spanish companies.

Deepening further, the structural analysis of the Spanish corporate network showed that its measures of centrality and betweenness centrality increased throughout the twentieth century in parallel with the capitalist growth of the country (Figure 1).²⁸ Connections between state-owned companies linked to the INI (especially chemical, energy, and military companies), and the central role of banking over the Spanish industry, facilitated the existence of interlocking directorates until these years.²⁹ Since the 1970s, however, as the Spanish corporate network lost strength, both the ratio of centrality degrees and the ratio of betweenness centrality measures between business schools' interlocks and total interlocks showed an upward trend. Such growing relevance of directors with studies at business schools in the Spanish corporate network can be explained to a large extent by the greater share of them in the sectors that historically articulated it: banking and electricity (see Table 4).

Therefore, it can be determined that the arrival of business schools did not mean a total break with traditional Spanish business practices, as a certain portion of its students reinforced potential coordination practices. Could the social origin of directors explain their continuity with the traditional practices? To answer this question, we examined the background of the people who acted in the main component of the network (Table 5).³⁰ The elitist

Table 4. Graduates from business schools in the Spanish corporate network.

	1960	1970	1980	1990	2000
A. Total directors	1590	2143	1842	1499	1476
B. Total interlocks	439	426	369	199	175
C. (B/A). (%)	27.6	19.8	20.0	13.2	11.8
D. Directors from business schools	38	115	196	172	168
F. Interlocks from business schools	8	22	42	32	28
G. (F/D). (%)	21.0	19.1	21.4	18.6	16.6
H. Firms with interlocks from business schools	16	41	69	50	37

Source: elaborated by the authors.

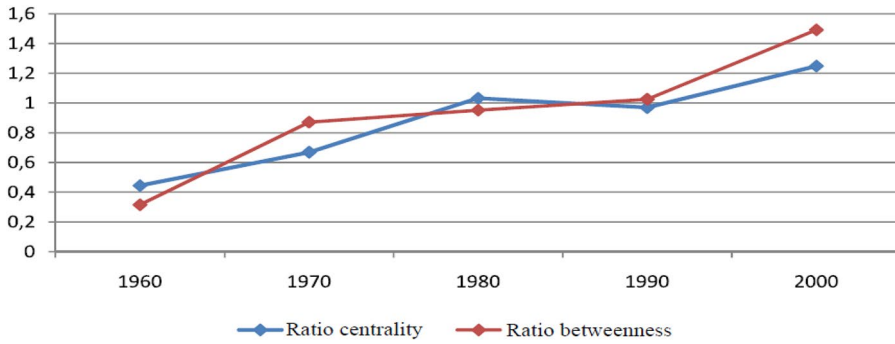


Figure 1. Trend of the ratio between the structural measures of the Spanish corporate network and the structural measures of the business schools graduates network. Source: elaborated by the authors.

origin was determined by a qualitative analysis of each director, by gathering information on the social class and professions of their parents. Results showed a slight reduction of individuals who, before forming in business schools, were already members of the corporate elite by family ancestry. Once again, differences must be established between both schools, as the American consultants observed, 'students in the Jesuit schools are from a lower social stratum and from families less well-established than IESE students (Opus Dei)' (Frederick & Haberstroh, 1969, p. 90). Although directors who did not come from this socio-professional group increased over time, its representation remained significant: in 2000, one-third of the corporate elite with business school credentials came from the traditional elite.

Mixed results, in this case, does not involve contradictory conclusions, but on the contrary, reinforce the idea of a functional overlap within schools, typical of a hybrid system. In the first period of 1960, the still small and peripheral component of the network exemplified the adaptation of the new institutions to the environment in which they were establishing (Appendix A). Initially, their strategy was to promote their programs among a small circle of friends and acquaintances (Torres, 2016).³¹ As a result, the first corporate network reflects an important presence of Catalan families linked through their own inherited companies, exemplifying one of the two above-mentioned functions: the modernizing reproduction of the pre-existing elite. This network paradigmatically fits with the typological evolution of the Spanish businessman: heirs to whom business schools confer the status of managers.³²

Nevertheless, in the last quarter century, a new pattern was observed. Spain transited politically from the dictatorship to democracy and, economically, the global energy crisis stopped the expansionist stage. The State movements to reform the industry built around the INI were joined by subsequent policies of liberalization and deregulation of markets with the accession to the European Economic Community (1986). These processes of economic opening concurred with the expansion and opening of the recruitment process by schools: from the regional localism to a national vision, and later global, in accordance with their international pretensions. Graduates stopped coming almost exclusively from Barcelona, and the influence of both institutions spread throughout the national territory. Courses attendance was mandatory, so the foundation of the IESE and ESADE new campuses in Madrid in 1974 and 1982 respectively, as well as other international campuses inaugurated in the following years, undoubtedly influenced this change. Thus, the main component of the corporate network in 1980 showed a greater number of graduates and in more central positions, and a

Table 5. Students from business schools in the main component who came from the Spanish business elite (%).

Business elite	1960	1970	1980	1990	2000
1. No	37.5	22.7	45.2	56.3	42.9
2. Yes	37.5	63.6	33.3	25.0	32.1
3. No data	25.0	13.6	19.0	12.5	17.9

Source: elaborated by the authors.

lower presence of family groups than the previous one (Appendix B). However, state-owned companies remained important, and the network was mainly articulated through directors from energy firms. Consequently it is complicated to typologically classify the directors who participated in the national corporate network from 1980 onwards in the same way as the previous ones. There were several cases. From those directors who combined positions in companies not sectorally connected, but financially related; to those who participated simultaneously in up to 8 sectorally related firms, mainly in the oil industry and banking. Again it is worth noting the participation of directors who studied at business schools in state-owned companies linked to the INI. Despite having essentially targeted the private sector, they also fulfilled a function that was initially entrusted to the schools of Madrid. This contributed to the aforementioned reciprocal circulation of directors between state-owned and private companies, emulating a mobility pattern of the American model which, over time, overlapped with the low mobility pattern characteristic of Spanish family firms (Nogueira, 2015).

6. Conclusions

Following an important vein of research opened by previous literature, this article confirms the influence of Americanization process through US-inspired business schools on the development of local business systems. In particular, this research introduces a new perspective to connect and measure the incidence of business schools on business elites.

At the beginning of the studied period, Spain presented a great attraction for foreign capital. The relative backwardness of the Spanish economy and business system with respect to its European neighbors, was presented as an appropriate scenario for foreign investment in the 'golden age' of capitalism. Based on an institutional approach and social networks analysis (SNA), and focused on the transfer of knowledge of the business schools, this article explains the successful penetration of the modern business management systems of the leading countries in the Spanish business elite. In particular, this methodology has allowed to delimit the agents, the location and the sectors of activity related to the business schools and, above all, their potential capacity for collective action through the formation of business cooperation networks.

Results confirm that throughout the forty years that followed its emergence and even starting from a situation of relative backwardness, US-influenced business schools progressively engaged effectively in the system of actors -large companies and managers- to whom they directed their services. From an early stage, driven by the pre-existing elites (a small circle of well-known business acquaintances and families in Catalonia), business schools were gaining prestige, and their graduates increased their presence in leading national companies. In fact, IESE attracted a significant proportion of directors of the largest companies in the country, establishing itself as an important recruitment center for business elites. Two decades after its foundation, a single institution already represented 14% of the CEOs

of the largest Spanish companies, thus showing the multiplier effect of its programs: a small number of people with a high impact on the top of the national business system.

According to the literature on the topic, the article argues that Spanish business schools imitated the American model but adapted to the peculiar Spanish business system. Results also confirm that the Americanization process resulted in an effective overlap between the US-influenced business schools and the preceding characteristics of the Spanish business system. The characteristics of this hybrid model are found, among others, in the location of business schools: in the main industrial districts of the country; in the foundational ideological affinity: led by the main religious groups and under the umbrella of prominent businessmen; and, developed in this article, in the participation of its alumni in the elite of the Spanish corporate network.

The expected and consistent professionalization of directors, associated with managerial capitalism and liberal market economies (LME), failed to promote a significant change in the practices of Spanish managers, partly due to the logical resistance of traditional entrepreneurship and also because the Spanish economy of Franco followed the pattern of the state-influenced market economies (SMEs). Despite the internal economic and institutional constraints, the truth is that business schools introduced a renewal element in the training, socialization and credentials of Spanish business elites. As in another European countries, a new corps of directors, composed of people from the upper middle class, rose to the highest positions in the business hierarchy through credentials and contacts acquired in business schools.

On the other hand, business schools were revealed in Spain, as well as in other follower countries, as a useful instrument for signaling the modern educational leadership patterns developed by the most advanced countries. To the extent that their business management methods were implemented and expanded in large Spanish companies (an aspect not developed in this article), its management model would be more or less comparable to that of the leading countries. In this sense, for example, quantitatively and qualitatively analyze how business schools determined the successful trajectory of companies and entrepreneurs/managers is presented as an attractive future research project.

Similarly, the authors acknowledge that the conclusions of this work would have been greatly enriched by the availability of information from other Spanish management education institutions (EOI and ICADE); as well as from international studies of similar characteristics, both from southern Europe (Italy, Portugal, Turkey, Greece and Yugoslavia) as from South America (Mexico, Chile, Argentina or Brazil).

Notes

1. At the end of the 20th century, 20% of the executives of the 200 largest companies in the world had an MBA (Byrkjeflot, 2000, p. 21).
2. In 2016, IESE ranked first and ESADE eighth (Financial Times, Executive Education 2016). It is also common the presence of another Spanish business school, the *Instituto de Empresa* (IE), founded in 1973, so it can not be considered as a pioneer in Spain.
3. Americanization can be defined as "transfer of creative technology, organizational structures, institutions and (...) values and codes of behavior from the United States to other parts of the world" (Fernández Pérez & Puig, 2009).
4. The specific historiography about business schools in Spain is scarce and eminently qualitative. The most relevant works, by Puig and Fernández, examine the foundational characteristics of schools (Puig, 2003, Puig & Fernández, 2003, Kipping et al., 2004). Quantitative research linking business schools and business elites is scarce internationally.

5. The different origins and models of business schools in Amdam (1996, 2007) and Engwall and Zamagni (1998).
6. Technical assistance programs were promoted from different institutions, such as the European Productivity Agency (EPA), or the Ford Foundation, establishing exchanges between leaders from both sides of the Atlantic with the aim of promoting and introducing American industrial model, free market practices and production and consumption on a large scale (e.g., Amdam, 2007; Gemelli, 1998; Gourvish & Tiratsoo, 1998). National and regional productivity centers were created, and companies began to progressively introduce, depending on their material circumstances, the American management notions (Amdam, 2007).
7. The UN vetoed the accession of Spain in 1945, and it was followed by numerous international diplomatic sanctions.
8. This group has also been characterized by sharing, many of them, their membership in Opus Dei, the Catholic prelature positioned itself as a group of influence and power within the Franco regime and Spanish society in general. Opus Dei was also the institution that promoted the creation of IESE.
9. The National Commission of Industrial Productivity (CNPI), institution under the Ministry of Industry that channeled the exchange programs, noted in their reports the difficulties to introduce in Spain the ways of doing American business due to the smaller size of the industry, the lack of means, and legislative restrictions (Torres, 2016, p. 84).
10. Similarly to what happened in Europe and the United States, despite the increase of professional managers within the companies, ownership and control remained closely linked due to the perpetuation of founders and heirs, and the increasing participation of managers in the ownership of companies (Valdaliso & López, 2007, p. 396).
11. Engineers historically prevailed over those educated in business schools in the European top managerial positions (Byrkjeflot, 2000). The engineer corps, with an eminently technical training, enjoyed a high status within the Spanish socioeconomic system (De Miguel & Linz, 1964).
12. Special mention deserves the *Asociación para el Progreso de la Dirección* (APD). Founded in 1956, financed by US funds, it tried to make the US management model compatible with the culture of the Spanish business elite (Nogueira, 2015, Álvaro, 2011b). The APD gathered large enterprises, banks and some Ministries, which could represent around 70% of the Spanish business capitalization (Frederick & Haberstroh, 1969, p. 67).
13. The authors evaluated the convenience of including ICADE in this work, however, the inability to access to homologous sources prevented it. The EOI was not included because it was not a school promoted by the private initiative.
14. The development of Spanish industry was largely associated with the dictates of the *Instituto Nacional de Industria* (INI), the state holding created in 1941 to autonomously develop the country's strategic sectors.
15. Directorio de Antiguos Alumnos IESE. Universidad de Navarra, 1999.
16. The *Universidad Comercial de Deusto*, founded in Bilbao in 1916, was a pioneer in business management and economics programs at the university level in Spain. Here not included because it is not an institution arising from the Americanization process.
17. Navarro Rubio, Minister of Finance between 1957 and 1965, pointed out that the economic reactivation was especially directed to the approximately 200 Spanish companies that constituted the "economic body of the country" as well as to the banks that supported them (Navarro Rubio, 1991, p.151).
18. Hereinafter, the term "business schools" will refer to the two institutions studied (IESE and ESADE), since both have been identified by literature as institutions of management education inspired by the US model. The differences between them will be noted throughout the text.
19. Due to sampling differences and non-homogeneous analysis, an international comparison is not always possible. For an approximation to what happened in other countries, see for example the summary in Byrkjeflot (2000).
20. On the occasion of the publication of Rakesh Khurana's book *From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession* (Princeton, 2007), several experts reflected on the content, role and evolution of the management discipline in different countries. For the Spanish case, it was noted the rela-

- tive exceptionality of business schools due to its position with respect to the official education system. (Wilson, J., Locke, R., Amdam, R., Puig, N., & Nishizawa, T., 2008).
21. For this reason, to analyze the influence of business schools on the Spanish business elite, we will refer to IESE to a greater extent than to ESADE.
 22. *Actividades del IESE* (June 25, 1969). *ABC*, p.51.
 23. The rapid and effective adaptation of IESE was also due to the close relationship between its professors and the companies through consulting works. One of the main objectives of the institution was to have a group of teachers composed by active agents in that business environment (Torres, 2016).
 24. The annual minimum wage in Spain in 1963 was 21,600 pesetas (INE, Statistical Yearbook of Spain). Even today, when the average Spanish salary is around €23,000, IESE fees can range from €28,400 of its *Programa de Dirección General* (PDG), to €115,000 of the *Global Executive MBA* program. For its part, the ESADE fees for its Executive MBA in 2018-2019 amounts to €62,500.
 25. In Spain, 78% of the business elite had higher education, while the adult male population with such education was barely 2% (De Miguel & Linz, 1964). Among the students of the first ten IESE promotions there were: 113 engineers, 75 law graduates, 40 chemists, 16 economists, 11 graduates in Exact Sciences, 9 pharmacists, 7 architects and 7 military (Torres, 2016).
 26. However, there is an open debate on this claim, since some authors pointed to socialization and symbolic indicators as the main factors provided by the schools (e.g., Amdam, Kvålshaugen, & Larsen, 2003; Grey, 2002).
 27. The *raison d'être* of interlocking directorates have been explained under different interpretations: from a cohesion mechanism by the elites, to a way to coordinate business strategies or reduce transaction costs by firms. For a review on temporal perspective, see for example David and Westerhuis (2014).
 28. The centrality degree is an indicator of the number of links a director has with the others. The intermediation degree is an indicator of the potential capacity of a director to control information.
 29. One of the institutional reasons that explain the historical existence of interlocking directorates is the pre-eminence of banking over capital markets as financial support for industry in the countries (e.g., Windolf & Beyer, 1996).
 30. From social networks analysis, the main component refers to the largest set of actors linked together without interruption in a network, which includes the actors with the most central and influential positions among them.
 31. An indicator of low mobility typical of the pre-eminence of family firms was that in the first ten IESE promotions, 71.3% of students worked in the same firm where they had started their career (Torres, 2016).
 32. The preeminence of Rivière and Roca in the corporate network was associated with the American connections of both family groups (Puig & Álvaro, 2004). The case of the Rivière family has been used to interpret the limits between family tradition and managerial modernization in the Spanish economy (Fernández-Pérez, 1999; Puig & Fernández, 2003).

Disclosure statement

No potential conflict of interest.

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Appendix A

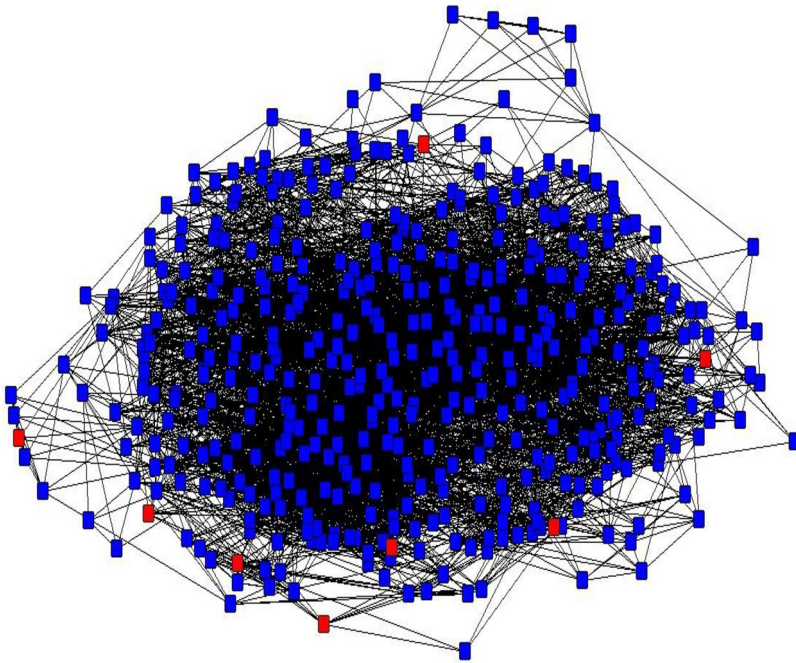


Figure A1. Graduates from business schools in the Spanish corporate network (1960). Source: elaborated by the authors

Appendix B

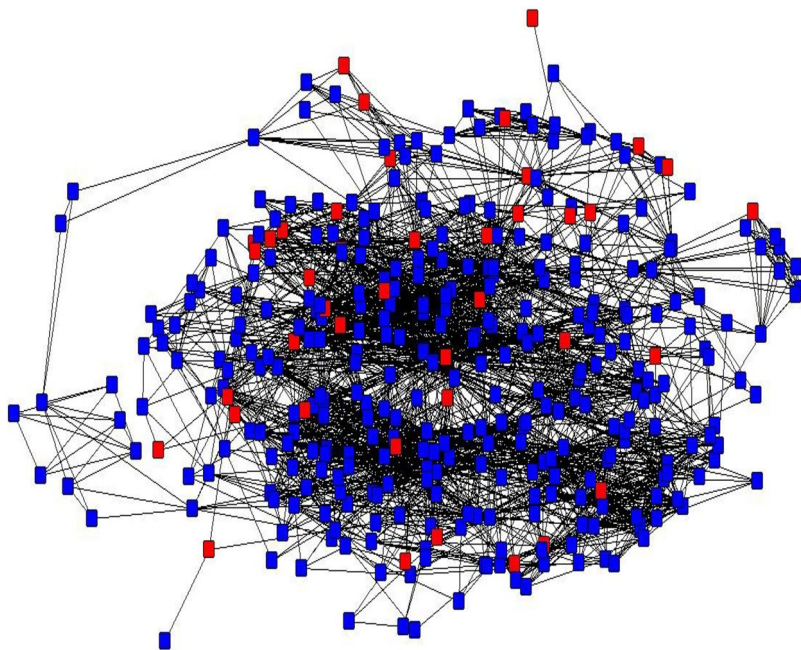


Figure B1. Graduates from business schools in the Spanish corporate network (1980). Source: elaborated by the authors.