

# Justification of Existence: Music Business Management Programs in a Historical and Industry Perspective

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## Abstract

### Objectives of the Research and Research Question

The lecture aims to explore and introduce the history of management programs in Europe and the U.S. and their critique, and then compares these sources to the critique of tertiary music management programs in the United Kingdom. It will also look into the scientific background of managerial success and present knowledge management theories and its links to management and music management. As a summary, the lecture will also look into the characteristics of the music industry labor market with a strong focus on precariousness and limit case (Stahl 2013).

### Brief Description of the Theoretical Background

Management programs were launched in the nineteenth century in Germany and France, as well as in the United States (Kaplan 2014). At their inception, industry representatives criticized these programs, claiming that management could not be taught but only learned in practice. More than 150 years later, in a report sponsored by UK Music, industry professionals had very similar concerns when it came to U.K. music business programs (Bennett 2105). British music business programs have been subject to constant, determined and loud criticism since their inception (Bennett 2015). Research has also exhibited the lack of skills of music business program graduates (Frenette 2013)—not only in case of the U.K. Due to that deficiency, most students have a post vocational need (Guile 2010). This also has an effect on social equality—it is proved that creative industries employees tend to come from upper classes (O'Brien, Laurison, Miles, and Friedman 2016) as they are more likely to be able to afford working for fee or very low salary for a longer period of time. At the same time, German music management education seems to be very successful (Siebenhaar and Müller 2018) and in case of U.S. programs, several music business companies consider a music business degree as a condition of an intern-

ship (MEIEA Summit 2022).

The reception of the two kinds of management programs in the past can be explained in the present by using knowledge management expressions and notions such as tacit knowledge, codified knowledge, and with the theory of practical intelligence (Sternberg 1985). According to these studies, 75% of the factors that constitute a successful performance is based on tacit knowledge that is very hard to be articulated (Nonaka and Takeuchi 1995). At the same time, expertise and professional recognition, and respect of an individual within an industry is also based on the level of tacit knowledge that particular person possesses. Tacit knowledge is hard to be articulated and passed on (Sólyom 2012) and strongly tied to practical and on-the-spot experiences (Nonaka 1995).

As most of the knowledge music industry relies on is tacit (Jones 2012), this is a factor that must be taken into consideration when one designs a music management program syllabus. Music management educators may be aware that tacit knowledge can only be gained in practice and through music business professionals who have this knowledge, and at the same time trust and want to help the student with whom they are sharing their special industry (tacit) knowledge with (Levin and Cross 2004). According to several studies and also a PhD research (Frenette 2014), when industry representatives are unsure of the quality of a certain music management program, the level of tacit knowledge students can gain there and the skills of graduates, they tend to hire them as interns instead of employing them right after graduation (Frenette 2013). This is very different in the case of Yale and Harvard students where North American banks trust in the level of education (management programs) and hire recent graduates from these schools right after finishing their training.

### Data and Methods

The lecture builds on a review of the literature and uses this opportunity to look into the history of management education, knowledge management, the scientific literature of practical intelligence, critiques of music manage-

ment education, different employability theories and the precariousness of the music business labor market.

### Expected Contribution

The lecture raises and makes an attempt to answer questions such as why, when, and under what circumstances were management programs launched? What aspects of management programs were criticized and who were the sources of such comments? How are these different notions and critiques connected to tertiary music management education? When tertiary music business management education is criticized, what aspects are emphasized? Why do industry representatives require tertiary music business programs to train employable graduates? Why is it hard to achieve this goal? These questions will be answered during the presentation with the help of research and literature.

The examples given in the theoretical section raise the question: what advantages and benefits can a music management program provide—once it is not respected by the industry? How could music industry educators cause industry representatives to hire their graduates over people without any music business qualification?

### Main References

The lecture will build on studies from Ashton, D. (2009), Ashton (2013), Banks (2019), Banks, Lovatt, O'Connor, and Raffo (2000); Bennett (2015); Cianciolo, Matthew, Sternberg, and Wagner (2006); Clarke (2017); Cloonan and Williamson (2018); Cloonan and Hulstedt (2013); Dyce and Smernicki (2018); Frenette (2013); Frenette (2014); Granovetter (1973); Granovetter (1983); Gu and O'Connor (2019); Guile (2006); Guile (2010); Harte, Long, and Naudin (2019); Hauge, Pinheiro, and Zyzak (2016); Hedlund, Forsythe, Horvath, and Williams (2003); Hedlund (2020); J.-C. Spender (2005); Jones (2017); Jones (2012); Kaplan (2014); Levin and Cross (2004); McNay (1973); Nonaka and Takeuchi (1995); Pool and Sewell (2007); Sternberg (1985); Sternberg (1988); Sternberg (1997); Sternberg (1999); Sternberg and Grigorenko (2001); Sternberg and Grigorenko (2003); Sternberg, Forsythe, Hedlund, Horvath, Wagner, Williams (2000); Sternberg (1984); Sternberg, Wagner, Williams, and Horvath (1995); Strasser (2015); Watson (2008); Watson (2020).

Keywords: music business management education, management education, practical intelligence, tacit knowledge



**Fruzsina Morcz** has been a music business professional for sixteen years and has worked in music business education for thirteen years now. She graduated with an Aesthetics and a Hungarian Language and Literature MA degree at Eötvös Loránd University of Sciences (ELTE). Later on, she gained a music business management degree in the United Kingdom. While living in London, Fruzsina did her internships at world famous music business companies in London: World Circuit (the record label of Buena Vista Social Club) and the international booking agency, The Agency Group. Later on, Fruzsina established the first higher education music business module at International Business School of Budapest and half a year later at Corvinus University of Budapest.

She founded her own music business school in 2013 in order to train adult learners in the field of music business. Graduated students work for music business companies and bands such as Sziget Festival, Artisjus - Hungarian copyright office, the KEXP guest and Eurosonic showcase talent The Qualitons or the Budapest Showcase Hub festival. Her industry interests are music business conferences in Europe, artist and band management, concert organizing, and touring.

In 2023 she researched U.S. music business education as a Fulbright Visiting Student Researcher hosted by The Ohio State University. Fruzsina has been pursuing her PhD since 2019 on the relationship between the U.S. and the European higher education music business programs and their relationship with the labor market at ELTE University, Faculty of Humanities, Doctoral School of Philosophy, Film, Media and Culture Theory Doctoral Program.



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