

IN MEMORIAM

Robert N. Anthony, a much honored member of the Harvard Business School faculty for more than 40 years, a world renowned and prolific scholar, author, and innovator in the field of management accounting and control who also made his mark in public service at the U.S. Department of Defense and other government agencies, died on Friday, Dec. 1, at the Kendal Retirement Community in Hanover, NH. He was 90 years old. At the time of his death, he was HBS's Ross Graham Walker Professor of Management Control, Emeritus. The Chair was named after Anthony's mentor at Harvard whom Anthony credited as "the father of the field of management control." Anthony said about Walker, "All I did in my [doctoral] dissertation was write out what he had lectured on when I was his student. I have been thought of as having created the field but Walker was the one who did it first as a consultant for numerous firms in the Boston area." A former president of the American Accounting Association (1973-74), Anthony was a member of the Accounting Hall of Fame. An FASB (Financial Accounting Standards Board) accounting standard (number 34, capitalizing the cost of interest) is directly traceable to his work.

Graduating from Colby College in 1938, Anthony came directly to Harvard Business School as an MBA student. After earning his degree two years later, he became a research assistant to the legendary Professor Walker, a pioneer in management control. From that point on, he knew he had found his calling.

"Bob Anthony took a field that was something that only accountants did and transformed it into one that informed top managers in the planning and control of their organizations," said former student and colleague Regina E. Herzlinger, the Nancy R. McPherson Professor of Business Administration at HBS. "He had a monumental impact not only on his students, through his teaching and textbooks, but also on the business, nonprofit, and government worlds through his many influential articles and powerful personal demeanor; his knowledge, intellectual clarity, sense of duty and honor, and managerial perspective. Bob was also a marvelous writer. He made the murky subject of accounting clear. These exceptional qualities of mind and character, coupled with a Yankee work ethic, helped him to transform the field of managerial accounting from the province of accountants to the tool of managers."

When Anthony retired from the active faculty in 1982, Charles Christenson, the School's Royal Little Professor of Business Administration, Emeritus, observed, "Bob did more than anyone else to introduce a conceptual structure to management control. In his numerous publications, he has ranged across all the important questions. *Management Control in Industry Research Organizations*, for example, examined the problem of measuring intellectual output; a much more difficult task than measuring more tangible output. His 1965 book, *Planning and Control Systems*, became the bible of the field." For generations of students at HBS and elsewhere, Anthony provided a unique introduction to the basics of accounting and bookkeeping with *Essentials of Accounting*, a self-guided

primer that was regarded as revolutionary when it was first published in 1964 and that is the most widely used programmed text on accounting.

At HBS, Anthony was involved in every aspect of School life, from developing new courses and teaching MBA and doctoral students to supervising doctoral theses and playing a major role on faculty committees. In 1959, at the request of Dean Stanley Teele and in response to reports by the Carnegie and Ford Foundations that were critical of all business school curricula at the time, he chaired a committee that was charged with reviewing Harvard Business School's required first-year curriculum. The work of the "Anthony Committee" extended over two years, through many presentations and often contentious faculty meetings--but Anthony's high standing in the HBS community, along with his well-deserved reputation for integrity, equanimity, and a selfless dedication to the School, won over those who were at first opposed to making changes in the status quo. The result was the addition of several new first-year courses, including managerial economics and a greater emphasis on offerings in organizational behavior. Anthony regarded this effort as his most important contribution to HBS.

In 1965, with the country enmeshed in the Vietnam War, Anthony took a leave of absence to go to Washington, DC, to serve as the Defense Department's Assistant Secretary (Comptroller) under his former HBS accounting colleague Secretary of Defense Robert S. McNamara. As chief of financial management for the Defense Department, which was then described as the largest organization in the free world, he was responsible for developing an \$80 billion budget and presenting it to Congress, collecting and analyzing quantitative information, and, in particular, heading a mammoth effort to develop and install a new accounting and control system that for the first time made it possible to evaluate the costs of similar initiatives among the different branches of the armed forces. Anthony's task was complicated by a substantial amount of internal resistance to his reorganization efforts. But once again he prevailed. According to Professor Christenson, "He changed the way the Defense Department operated." At the end of his leave of absence in 1967, Anthony resigned from the faculty to continue his work with the federal government, but he returned to the School in the fall of 1968.

The summer before, McNamara's successor, Clark M. Clifford, had presented Anthony with the Defense Department's Medal for Distinguished Public Service. The citation read in part: "His singular financial skills have contributed greatly to the national security. His management innovations have resulted in greatly increased productivity. His actions to clarify and simplify financial documents and to improve auditing procedures of the Department set new standards for the efficient administration of a global organization. His refinement of the Defense programming, planning, and budget systems has fostered improved fiscal management throughout the United States government."

Back in his Morgan Hall office on the HBS campus, in response to a request from the FASB, Anthony turned his attention to a study of accounting procedures in nonprofit organizations. He recommended that nonprofits produce the same sorts of financial reports as profit-making organizations, detailing his arguments in a series of articles and lecturing extensively about changes he wanted to see made in FASB standards.

Long before business education became a truly global endeavor, Anthony was actively involved in the creation of business schools abroad. He was a member of the original faculty of IMD (initially known as IMEDE) in Lausanne, Switzerland, a school he helped found in 1957. He served on its advisory committee for 20 years and taught numerous short courses there. He was on the international advisory committee of the Indonesia Management Development Institute in Jakarta, and from 1991 to 1995, he taught at and advised INCAE, a prominent business school in Costa Rica.

Robert Newton Anthony was born in Orange, Mass., on September 6, 1916, and grew up in Haverhill, Mass. His family traced its roots back to the *Mayflower*. After graduating from high school at 16 and then from Colby, where he was elected to Phi Beta Kappa, he considered a job offer from a salt company. However, the head of Colby's department of business administration had other plans for his prize pupil, suggesting that he visit Harvard Business School and see whether he could be accepted. Two years later, he graduated in the top 5 percent of his class as a Baker Scholar.

Anthony's tenure as a research assistant ended in 1941, when the United States entered World War II. He joined the U.S. Navy as an ensign in the Supply Corps, served on the island of Guam, where he was in charge of ordering and issuing material to the fleet that was preparing to invade Japan. Retiring from active duty in 1946 as a lieutenant commander, he returned to Harvard Business School, earning a doctorate in commercial science in 1952. The onset of the Korean War in 1950 brought Anthony back into government service for a time as co-leader of a team that developed a modern accounting system for the U.S. Air Force. He became a full professor at HBS in 1956.

A prolific writer, Anthony authored or coauthored some 27 books, many of which have gone through multiple editions and been translated into 15 languages. His volumes include *Accounting: Text and Cases*, *Management Control Systems*, *Management Control in Nonprofit Organizations*, *Future Directions for Financial Accounting*, and *The Modern Corporate Director*. He wrote or co-wrote more than 100 articles for many publications, including the *Harvard Business Review*, where he was on the editorial board from 1947 to 1960. He was also active in the Institute of Management Accounting and the Financial Executives Institute.

After becoming professor emeritus in 1982, Anthony devoted much of his time through his lectures and writings trying to persuade accountants of the need for a new and improved conceptual framework for their profession. His efforts were chronicled in a 1986 cover story in *Management Accounting*, a magazine published by the National Association of Accountants.

Anthony was a consultant to many major companies, and he was often called as an expert witness in corporate litigation cases. He was a longtime trustee of Colby College and chairman of its board from 1978 to 1983. He was named a life trustee in 1989. He was also a member of the first board of trustees of the Dartmouth-Hitchcock Medical Center, chairman of its finance committee, and treasurer in 1992-93. In addition, he advised many other nonprofit organizations, from private elementary schools to universities.

Anthony received awards from many academic, professional, and government organizations, including the Academy of Management (which named him a Fellow in 1970), the American Accounting Association, the Federal Government Accountants Association, Harvard Business School, and the Institute of Management Accountants. Colby College bestowed two honorary degrees on him, a master's in 1959 and a doctorate in 1963. In 2001, the Robert N. Anthony Fellowship Fund was established at Harvard Business School at the request of the then Dean, Kim B. Clark, to honor Anthony's, "...extraordinary contributions and dedication to the School and to the field of business accounting. It provides fellowship support to deserving MBA students, with a preference for those who have both a military background and an interest in accounting and control.

Although Anthony had been a member of the Audit Committee of the City of New York (1977-85), a consultant to the Cost Accounting Standards Board (1971-80), and special assistant to the chairman and systems coordinator of the President's Price Commission (1971-72), he took special pride in the fact that for more than a decade he was elected town auditor of Waterville Valley, NH, where he spent much of his retirement after moving from Lexington, Mass., and where he enjoyed hiking and skiing. "It's the first elective office I've ever held," he told an interviewer in 1986. "I had opposition the first time, but I haven't had any since. I got 24 votes last year; that's all there were."

He lived the last 15 years of his life at the Kendal Retirement Community in Hanover, where he was an active participant in the organization of the institution.

Anthony is survived by his wife, Katherine Yeager, whom he married in 1973; a son, Robert Jr., MD, of Bethesda, Md.; a daughter, Victoria, of Littleton, Mass.; five grandchildren and seven great grandchildren. He is also survived by his first wife, Gretchen Lynch Anthony, of Bethesda.

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ISSN	ISSN 1662-1387