

## Contents

## Page

- 2 Introduction
- 3 Journal Information
- 4 Subscriptions and Cabell's Listing
- 5 The New Bankruptcy Law: Implications for Home Ownership And Mortgage Foreclosure  
A Teaching Module for Principles of Real Estate Courses  
*Marion Rogers Sillah – SC State University – Orangeburg, SC, USA*
- 16 The Jazz Metaphor for Management Educators: Making Meaning with Students through  
Swinging Improvisation  
*Gordon W. Meyer, Canisius College, Buffalo, New York, USA*  
*Girish Shambu, Canisius College, Buffalo, New York, USA*
- 27 Freshman Integration and Retention in the Business School: The Long Term Effectiveness of A  
Dedicated First Year Business Freshman Experience Course  
*Lawrence J. Belcher, Stetson University, DeLand, Florida USA*
- 35 Enriching Business Students' First Year Experience: A Unique Approach  
*Sheri L. Erickson, Minnesota State University Moorhead, Moorhead, MN, USA*  
*Mary F. Stone, Minnesota State University Moorhead, Moorhead, MN, USA*  
*Marsha Weber, Minnesota State University Moorhead, Moorhead, MN US*
- 44 Interactive Investor Education: An Exploratory Impact Study in Non-traditional Learning  
Environments  
*Wanda F. Lester, North Carolina A&T State University, North Carolina, USA*  
*Vereda J. Williams, North Carolina A&T State University, North Carolina, USA*
- 53 Employment Acquisition Skills Panel Exercise  
*Sarah A. Humphries, Georgia College & State University, Milledgeville, GA USA*
- 56 A Business School's Unique Hiring Process  
*William P. Cordeiro, California State University Channel Islands – Camarillo, CA,  
USA*
- 61 Making Teams Relevant: Applied Management Education by Combining Service Learning and  
Learning Communities  
*James B. Lee, Stonehill College – Easton, MA, USA*
- 67 Designing Effective Team Assignments: Kolb's Learning Cycle modified by the 4 S Method  
*Linda Lynam, University of Central Missouri – Warrensburg, Missouri, USA*  
*Mary McCord, University of Central Missouri – Warrensburg, Missouri USA*  
*Larry Michaelsen, University of Central Missouri – Warrensburg, Missouri USA*
- 76 Business Students' Perceptions towards Environmental Sustainability:  
Is it a Legitimate Business Issue?  
*Kathleen Dale, Minnesota State University – Mankato, Minnesota, USA*  
*Bradley W. Mayer, Lamar University – Beaumont, Texas, USA*  
*Marilyn Fox, Minnesota State University – Mankato, Minnesota, USA*
- 86 Manuscript Guidelines, Submission and Review Process
- 88 Manuscript Style Guide and Example

## Introduction

Welcome to this issue of the *Business Education Innovation Journal*.

The purpose of this journal is to assemble researched and documented ideas that help drive successful learning and motivate students to learn. The intention is to draw ideas from across both methods and disciplines and to create a refereed body of knowledge on innovation in business education. As a result, the primary audience includes business education faculty, curriculum directors, and practitioners who are dedicated to providing effective and exciting education.

We invite you to read about innovations published and apply in your classroom. We also encourage you to develop your original creative ideas, prepare an article, and submit for review.

This particular issue includes a number of interesting classroom innovations in diverse areas.

Peter J. Billington  
*Editor*

**Content Verification:** The ideas presented in the journal articles are not tested nor verified for accuracy, quality, or value. The opinions and claims expressed in the articles are those of the authors and do not represent a position or opinion of the editor or staff of the Business Education Innovation Journal.


**No responsibility is assumed by the Editor or Publisher** for any injury and/or damage to persons or property as a matter of product liability, negligence or otherwise, or from any use or operation of any methods, products, instructions or ideas contained in the material in this journal.

Copyright © 2010, by Elm Street Press. Permission to make digital or hard copies of all or part of this work for personal or classroom use is granted without fee provided that copies are not made or distributed for profit or commercial advantage and that copies bear this notice and full citation on the first page. Copyright for components of this work owned by others than Elm Street Press must be honored. Abstracting with credit is permitted. To copy otherwise, to republish, to post on servers for commercial use, or to redistribute to lists requires prior specific permission and/or fee. Request permission to publish from: Editor, BEI Journal, 6660 Delmonico Drive, Suite D 232, Colorado Springs, CO 80919 Attn: Reprints, or via e-mail to [editor@beijournal.com](mailto:editor@beijournal.com)

# Business Education Innovation Journal

www.beijournal.com

ISSN 1945-0915

Business Education Innovation Journal is an imprint of **ELM STREET PRESS** 

*Editor*

**Peter J. Billington**

Colorado State University – Pueblo, CO

editor@beijournal.com

## Editorial Review Board

James H. Browne

University of Texas at Tyler, Tyler, TX

Maryann Grusetskie

Lore International Institute – a Korn/Ferry Company

Jose Castillo

Truman State University, Kirksville, MO

J. Andrew Morris

California State University – Channel Islands, CA

Jui-Kuei Chen

Tamkang University-Dansui Campus, Taipei, Taiwan

Kristie Ogilvie

California State University at San Bernardino

Steven I-Shuo Chen

National Chiao Tung University, Taipei, Taiwan

Leigh Stelzer

Seton Hall University, South Orange, NJ

Mickael J. Fekula

The Citadel, Charleston, SC

Alice Valerio

De La Salle University-Dasmarinas, Philippines

Lynn A. Fish

Canisius College, Buffalo, NY

Stuart H. Warnock

Metropolitan State College of Denver, Denver, CO

Kelly Flores

City University of Seattle, WA

Marsha Weber

Minnesota State University Moorhead, Moorhead, MN

J. Brad Gilbreath

Colorado State University – Pueblo, Pueblo, CO

## Business Manager

Drew C. Billington

## Graphics, Design, and Production Consultant

Laurel Prud'homme and Jeannie Sheeks

Submissions - [submit@beijournal.com](mailto:submit@beijournal.com)

Subscriptions - [subscribe@beijournal.com](mailto:subscribe@beijournal.com)

Add or remove from our mailing list - [mailer@beijournal.com](mailto:mailer@beijournal.com)

Write in “add” or “remove” in the topic line.

Webmaster - [web@beijournal.com](mailto:web@beijournal.com)

Elm Street Press

6660 Delmonico Drive, Suite D 232, Colorado Springs, CO 80919-1899

## Subscriptions

For subscriptions to Business Education Innovation Journal, please email: [subscribe@beijournal.com](mailto:subscribe@beijournal.com).

### Subscription Rates:

<i>Destination</i>	<i>Individual *</i>	<i>Institutional</i>	<i>Back Issues Individual</i>	<i>Back Issues Institutional</i>
United States	\$25	\$50	\$15	\$30
Countries other than the U.S.	\$50	\$100	\$30	\$60

**\* *Published authors are entitled to a free issue of the Journal in which their article is published.***

Business Education Innovation (BEI) Journal © 2010 by Elm Street Press (ISSN 1945-0915) BEI Journal is published two times per year or more, based on submission volume.

Authorization for use of derivative works or to photocopy items for internal, personal or any other use as well as requests for multiple reprints will be priced and granted by the publisher ([editor@beijournal.com](mailto:editor@beijournal.com)).

Use of information in the articles and journal are governed by U.S. national copyright laws. No claims for missing issues will be processed after two months following the month of publication of the issue. Send author inquiries to [editor@beijournal.com](mailto:editor@beijournal.com).

Postmaster: Please send address changes to Elm Street Press, 6660 Delmonico Drive, Suite D232, Colorado Springs, CO 80919-1899.

## Listings

Business Education Innovation Journal is listed in the most recent on-line edition of *Cabell's Directory of Publishing Opportunities in Management*. [www.cabells.com](http://www.cabells.com)

# **The New Bankruptcy Law: Implications for Home Ownership And Mortgage Foreclosure A Teaching Module for Principles of Real Estate Courses**

Marion Rogers Sillah – SC State University – Orangeburg, SC, USA

## **ABSTRACT**

The new bankruptcy law (BAPCPA) was enacted in 2005. While the original intent of the law was to prevent abuse of the bankruptcy process, it has had significant consequences for homeowners and other real estate investments. The new requirements coupled with the complexity of the law, dictate that more should be taught in real estate courses about the U. S. bankruptcy laws and the impact of the laws on real estate demand and values. This module presents key changes in the law and the implication of these changes on home ownership and mortgage foreclosure.

**Keywords:** BAPCPA, 2005, Chapter 7 Bankruptcy, Chapter 13 Bankruptcy, Means Test, Mortgage Foreclosure

## **INTRODUCTION**

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, (BAPCPA) was signed into law on April 20, 2005; and became effective October 17, 2005. The explicit legislative intent of the new law is to discourage filings in federal court under Chapter 7 of the Bankruptcy Code by individual debtors. Proponents of the new law assumed that a substantial number of individuals filing Chapter 7 could afford to repay their debts and should be prevented from walking away from debt that might have been created from unnecessary and excessive spending. To address the abuse issue, a major change in the bankruptcy law was the introduction of a means test to determine who could file chapter 7 bankruptcy. Prior to the passage of the new law, individuals considering filing bankruptcy were free to choose chapter 7 or chapter 13. The difference now is that prospective filers must pass the means test to elect chapter 7. If they fail the test, they must file chapter 13, or not file at all.

Another concern is the impact that a repayment plan will have on a filer's ability to continue making mortgage payments. Because mortgages are secured debt, lenders traditionally have not been directly or significantly affected by bankruptcy filings. Some would argue that indeed lenders benefit from bankruptcy filings because it allows borrowers to continue making mortgage payments from cash that has been freed up through the bankruptcy process. If the debtor filed chapter 13 under the old law, there was an automatic stay against foreclosure. This coupled with the repayment plan allowed those who were delinquent on a mortgage to bring payments current. Under the new law, even if a debtor meets the requirement for a chapter 7 filing, there is still a risk of foreclosure because while meeting the mandatory credit counseling and taking the debt management course, a mortgage lender can initiate and complete the foreclosure process.

The law was supposed to provide protection to unsecured creditors, but, the 2008 mortgage crisis suggests that there were unintended consequences that have also harmed secured lenders. In the fall of 2008, Fannie Mae and Freddie Mac were taken over by the federal government because of huge losses resulting from the mortgage crisis; Lehman Brothers, one of the oldest and largest investment banking firms in the United States filed Chapter 11 bankruptcy because of \$60 billion dollars of bad real estate loans; and Merrill Lynch was purchased by Bank of America.

Many provisions of BAPCPA (2005) relate in some manner to real estate. It is therefore important that students be knowledgeable about the law and its implications for home ownership, mortgage financing, and foreclosure. The Principles of Real Estate course is an ideal course to introduce students to some if not all of the provisions pertaining to real estate. The purpose of this paper is to present a teaching module that focuses on the new bankruptcy law and its implications for home ownership, mortgage financing, homestead exemptions and mortgage foreclosure.

## TEXTBOOK COVERAGE OF BANKRUPTCY

The latest editions of six Principles of Real Estate text books were examined. In all but one text book, there was very little or no coverage of bankruptcy. The traditional coverage in Principles of Real Estate textbooks, is on mortgage foreclosure. In *Real Estate Principles and Practices, 2003*, by James E. Larsen, mortgage foreclosure is discussed in Chapter 15, "Mortgages and Deeds of Trust." The foreclosure process and the different types of mortgage foreclosure are presented. The author also discussed deficiency judgments and tax consequences of mortgage foreclosure. Floyd and Allen in their textbook, *Real Estate Principles, 9<sup>th</sup> Edition, 2008*, introduced mortgage foreclosure in chapter 16, "Residential and Commercial Property Financing." Again, the focus was on the types of foreclosure, and alternative security instruments. James Shilling in *Real Estate, 13<sup>th</sup> Edition, 2002*, had limited coverage of mortgage foreclosure in Chapter 24, "Mortgage Underwriting." Bankruptcy was not discussed in any of the three textbooks.

The second edition of Ling and Archer, *Real Estate Principles – A Value Approach, (2008)*, included the most extensive coverage of bankruptcy: (1) In a footnote on the treatment of the homestead exemption in Florida and Texas, the authors cite executives of Enron and how they were able to file bankruptcy and yet protect their assets by purchasing expensive homes in Florida where there is an unlimited homestead exemption.(p.55); (2) There is a paragraph on bankruptcy in a section on "Modes of Conveyance of Real Property – Involuntary Conveyance by a Deed." In this section, the authors state that 'In a bankruptcy proceeding, real property of the debtor, unless preempted by a defaulted mortgage, may be included in other assets to be liquidated on behalf of the creditors. (p.74); (3) A brief discussion in a section on "Nonforeclosure Responses to Default," in the chapter entitled "Real Estate Finance: The Laws and Contracts," the authors state, among other things, that 'The worse risk in accepting a deed in lieu of foreclosure is likely to be bankruptcy... So, when the bankruptcy court reclaims the property, the lender ends up as simply one more in the line of creditors seeking relief through the court.' (p.240); and (4) a discussion of the three types of bankruptcy in a section entitled "Bankruptcy and Foreclosure" (pp.242-243), in the same chapter. A one paragraph description of each type of bankruptcy was included in this section. Under ordinary circumstances (What is ordinary?) the argument can be made that this coverage is more than adequate in a principles of real estate course. However, in light of current economic conditions and the role that mortgage foreclosures played in the 2008 financial crisis, the new bankruptcy law should be covered more extensively. Given the means test, increased cost of a bankruptcy filing and other stricter provisions of the 2005 law, this coverage should emphasize personal responsibility in real estate decision making. The module is recommended as a supplement to principles of real estate textbooks.

## BANKRUPTCY MODULE FOR PRINCIPLES OF REAL ESTATE

### Intended Purpose, Audience and Method of Delivery

This module is designed for use in a principles of real estate course. The module should be taught along with coverage of "Mortgage Financing and Foreclosure." A lecture is perhaps the most effective way to impart knowledge about bankruptcy because of the complexity of the law. The lecture can also be supplemented with a panel of real estate professionals - banker/mortgage broker, housing counselor and bankruptcy attorney – who would bring real world examples of the bankruptcy and foreclosure experiences of home owners. In addition to lectures and panel discussions, students can be required to attend a debt counseling session, read supplemental articles, and/or complete web assignments pertaining to means test calculators.

### Student Learning Objectives

1. Describe the difference between chapter 7 and chapter 13 bankruptcy requirements for both the old and new (2005) bankruptcy laws.
2. Understand the explicit legislative intent of The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, (BAPCPA, 2005).
3. Describe the key changes pertaining to personal bankruptcy in the new law.

4. Describe the key features of the means test and apply it to a situation of a homeowner facing bankruptcy and possible foreclosure.
5. Describe the difference between the mortgage foreclosure process under the old law and the new law.
6. Describe the difference between the allowable homestead exemption across states under the old and new bankruptcy laws.

### **Introduction**

The number of individuals filing bankruptcy in the late 1990s and early 2000s increased drastically in spite of economic prosperity. According to Michele White, the number of business bankruptcy filings had fallen in half to 34,000 between 1984 and 2004, while the number of filings by individuals and married couples had increased five-fold to 1,583,000 over the same 20-year period. Concern about the rising number of individual bankruptcies led Congress to adopt reforms of personal bankruptcy law in 2005. (M. White, 2005 )

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, was signed into law on April 20, 2005, and became effective October 17, 2005. The explicit legislative intent of the new law is to discourage filings in federal court under Chapter 7 of the bankruptcy code by individual debtors. Proponents of the new law assumed that a substantial number of individuals filing Chapter 7 could afford to repay their debts and should be prevented from walking away from debt that might have been created from unnecessary and excessive spending. However, Culhane and White (1999), conducted an empirical investigation of means-testing and concluded that the vast majority of Chapter 7 debtors belong in that chapter. To really appreciate the impact of the new law this module begins with a comparison of the old and new laws.

### **The Old vs. New Bankruptcy Law**

One of the primary goals of filing a bankruptcy case is to obtain relief from burdensome debt. All chapters of bankruptcy achieve this in similar or different ways. The two chapters available to individual debtors are chapter 7 and chapter 13. Prior to the enactment of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, (BAPCPA, 2005), individual debtors with the assistance of an attorney could choose the chapter that best met their needs. For debtors with limited income and assets, chapter 7 – Liquidation - was deemed the best option. In a chapter 7 filing, if approved under the old law, the nonexempt assets of the filer were sold and the cash was distributed to his or her creditors according to stipulated guidelines and subject to the rights of the debtor to retain certain exempt property and to a 100% exemption of the debtor's future earnings. The rights of creditors were considered as well. This type of bankruptcy was referred to as a “fresh start.” If debt was discharged in bankruptcy, the debtor was no longer responsible for them and creditors could not seek future payments of these debts even if they did not receive full payment during the cash distribution. A chapter 13 filing (Wage Earner Protection) allowed an individual who has consumer debts to make a plan to repay creditors over a period of up to five years. The major difference between the two chapters is that in chapter 13, the debtor keeps his or her property. Each chapter is discussed in more detail below.

Most of the major changes in the Bankruptcy Code applied to individual debtors. Unsecured creditors and many governmental officials believed that there was substantial abuse, especially of chapter 7, since it was possible to convert nonexempt assets to exempt assets in order to protect them from seizure during the bankruptcy process. It was also assumed that many individual debtors that filed chapter 7 could afford to pay all or part of their outstanding debt. The law was changed to prevent this type of abuse. So, one of the major changes to the law was the addition of a means test that must be passed in order to file a chapter 7 case. If the debtor fails the means test, he or she must file a chapter 13 bankruptcy case. In addition, prospective filers must now complete credit counseling prior to filing and include a certificate of credit counseling with his/her bankruptcy filing. If the filing is approved, and if the applicant has consumer debt he or she must complete a debtor education course before debts are discharged in chapter 7 or chapter 13.

The means test uses a two-step process to determine if an individual is eligible to file chapter 7 bankruptcy. In the first step, the debtor's income is compared to the median income of his or her state by size of family. If the state

median income is greater, given the size of the family, there is no ‘presumption of abuse,’ and the individual debtor can file chapter 7. If, however, the individual fails the first test, in step two, a more complicated calculation is required to determine if a chapter 7 filing is possible. This calculation looks at income, expenditures, assets and liabilities, long-term commitments and a host of other measures to determine eligibility. The first step of the means test is fairly simple. However, step two is complicated because of the different categories of income and expenses that may or may not be allowed to determine eligibility for a chapter 7 filing. For example, the law defines “current monthly income” as the average monthly income received by the debtor from all sources during the six calendar months preceding the filing. It includes amounts regularly paid by other entities to defray the debtor’s household expenses. Therefore, child support receipts are included as income without reference to their treatment by the Internal Revenue Code. “Current monthly income” does not include payments received under the Social Security Act, payments to victims of war crimes or crimes against humanity, or payments to terrorism victims.

(Williams, 2005) Because current monthly income is an average of the debtor’s income over the previous six calendar months, debtors who lose their job immediately before filing may fail the means test because their income from that job is included in the calculation. However, a debtor can challenge the presumption of abuse by providing evidence that he/she is currently unemployed.

Four categories of expenses are described in Subsections 707(b)(1) and 707(b)(2)(A)(ii) through (iv): a) the National Standard, b) the Local Standard, c) other Necessary Expenses and d) Allowable Expenses Beyond Other Necessary Expenses. The National Standard covers five specific categories of expenses: food, housekeeping supplies, apparel and apparel related services, personal care products and services, and miscellaneous expenses. The Local Standard includes housing/utilities and transportation. The law recognizes other Necessary Expenses as those that are not included in the National and Local Standards but provide for the health and welfare of the debtor or his/her family and or for the production of income. Some expenses that have been allowed under this category are current taxes, involuntary wage deductions, insurance, court-ordered payments, childcare costs, cellular phone costs and business expenses. (Williams, 2005) Finally, Allowable Expenses Beyond Other Necessary Expenses include a variety of expenses for health insurance, safety, childcare, eldercare, etc., beyond those allowed in the first three categories.

If a debtor does not pass the first step of the means test, current monthly income and allowable expenses are examined by applying the following two mathematical formulas: (Williams, 2005)

$$(\text{current monthly income} - \text{allowed monthly expenses}) \times 60 \geq \$10,000$$

OR

$$(\text{current monthly income} - \text{allowed monthly expenses}) \times 60 \geq \$6,000 \text{ if}$$

such amount is 25% or more of the unsecured debts.

The following example demonstrates how the two parts of the means test are applied:

Washington-Bankruptcy.com has this Explanation of the 2005 Bankruptcy Act **Means Test**: “Under the 2005 Bankruptcy Act your income and expenses will be analyzed to determine if you qualify to file a Chapter 7 or if you must file Chapter 13. To apply the means test, the courts will look at the your average income for the 6 months prior to filing and compare it to the median income for that state. If the income is below the median, then you may choose Chapter 7. If your income exceeds the median, the remaining parts of the means test will be applied to determine if you can file Chapter 7 or if you must file Chapter 13. You will likely still be able to file a Chapter 7 bankruptcy if you are unable to pay at least \$6,000 over the next five years (\$100 per month) to your unsecured creditors after your expenses. However, if you can pay at least \$10,000 over five years (\$166.67 per month or more) your Chapter 7 will likely be denied. If you could afford more than \$6,000 but less than \$10,000 over five years, then a mathematical calculation determines whether your Chapter 7 will likely be successful or not. If you could afford to pay 25% or more of your unsecured debt, then a Chapter 7 will likely be denied. If you can’t afford to pay 25% of your unsecured debt, your Chapter 7 filing will likely be successful. Examples of unsecured debts would include



medical and credit card bills. Note that you can still opt for Chapter 13 even if you qualify to file under Chapter 7.”

Source: <http://blogs.law.harvard.edu/shlep/2006/10/06/bankruptcy-law-self-help/>

The formulas have been incorporated into numerous online means test calculators. They are fairly simple to use. The user is prompted to enter personal identification information, income and expense data. Once you have entered and submitted the required information, the results are emailed to you to let you know which bankruptcy chapter you are eligible to file. Some sites offer a free trial calculator; but charge a fee for a more detailed and accurate analysis. A debtor should consult an attorney or a full-service bankruptcy company for assistance if he or she is not familiar with the legally allowed expenses and sources of current monthly income. A list of means test online calculators is provided at the end of the module.

Chapter 13 ( Wage earner) bankruptcy was designed to enable financially distressed individual debtors, under court supervision and protection, to propose and carry out a repayment plan under which creditors are paid over an extended period of time. The usual repayment periods were three years if a debtor’s current monthly income is less than the applicable state median; and five years if the debtor’s current monthly income is greater than the applicable state median and is approved by the bankruptcy court. Under no circumstances were longer periods approved. In chapter 13, the debtor keeps his assets and is also able to bring current, long-term indebtedness such as a car note or a home mortgage. An automatic stay, once the case is filed, prevented lenders from repossessing a car or foreclosing on a mortgage for the primary residence of the debtor. Chapter 13 under BAPCPA has not changed significantly. The major changes include the required means test to determine the chapter that the debtor is eligible to file; credit counseling, and debtor education as described earlier in the discussion of chapter 7 bankruptcy.

### **Chapter 7 Bankruptcy Fees**

The changes to the law have significantly increased the cost of filing bankruptcy. For example, the case filing fee has increased from \$155 to 245. Attorneys will be required to certify that their clients’ claims for their assets, liabilities, income and expenses are accurate, and could face court sanctions if they are not. Because of the heavier burden of proof, attorney fees have also increased. Attorney fees can be included in the repayment plan for a chapter 13 filing and paid over the plan period; however, in a chapter 7 filing, attorney fees must be paid upfront. It is therefore possible that a debtor qualifies for chapter 7; but is forced to file chapter 13 because of the increased attorney fees. Two less expensive filing options are online do-it-yourself software (\$170 - \$200) and a full-service bankruptcy company (\$250 - \$300).

Credit counseling must take place with an agency approved by the U. S. Trustee’s Office. The cost is usually around \$30.00. This counseling can be done online, over the phone or in person. Once a filing has occurred, but before debts are discharged, the debtor must also complete a debtor education course which will usually costs between \$50 and \$100. The course should be an approved course and include at a minimum the following topics: creating a budget, managing money, and using credit wisely. The courts want to prevent future filings. The counseling and education should help the filer to better manage financial responsibilities and reduce or eliminate future bankruptcies.

The following table compares the cost of a bankruptcy filing before and after October 17, 2005. Fees for chapter 7 and chapter 13 are similar:

## Chapter 7 Bankruptcy Fees

Before October 17, 2005   After October 17, 2005

Case Filing Fee	\$155	\$245
Miscellaneous Administrative Fee	39	39
Trustee Surcharge	15	15
Credit Counseling	N/A	30
Debtor Education Course	N/A	75
Attorney Fee	712	1078

Sources: <http://www.uscourts.gov/bankruptcycourts/bankbasics.pdf> and United States Government Accountability Office – Report to Congressional Requesters – June 2008.

### The New Bankruptcy Law and Mortgage Foreclosure

The 1990s were characterized by the aggressive promotion of home ownership to populations traditionally considered underserved, including subprime borrowers. Consequently, the home ownership rate reached an all time high of 68.6 percent by the fourth quarter of 2003. (Joint Center for Housing Studies, Harvard University, February 2004). This trend has continued into the 21<sup>st</sup> century. Both the Community Reinvestment Act (CRA) and the Home Mortgage Disclosure Act (HMDA) regulations and oversight contributed to this surge in homeownership in underserved markets. The Community Reinvestment Act is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations. It was enacted by the Congress in 1977 (12 U.S.C. 2901) and is implemented by Regulations 12 CFR parts 25, 228, 345, and 563e. The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and is implemented by the Federal Reserve Board's Regulation C. This regulation provides the public loan data that can be used to assist: (1) in determining whether financial institutions are serving the housing needs of their communities; (2) public officials in distributing public-sector investments so as to attract private investment to areas where it is needed; (3) and in identifying possible discriminatory lending patterns. This regulation applies to certain financial institutions, including banks, savings associations, credit unions, and other mortgage lending institutions.

Low interest rates, the growth of innovative mortgage products and the changing structure of the mortgage industry have also contributed to increased lending to underserved borrowers. Lehnert (2006) states that borrowers can choose from a large menu of mortgage options that allow them to select both the interest rate and the amortization characteristics. However, such creative financing techniques are responsible for at least some of the increase in mortgage default and foreclosure. Given the low down payment requirements with many of the new mortgage instruments, it is easier to default on a loan when the loan to value (LTV) ratio is high. Low-income and minority homeowners are not the only borrowers defaulting on mortgage loans. Medical emergencies, unemployment and divorce also lead to mortgage default among well-to-do and middle income households who, through the use of creative financing, were able to purchase more housing than they could purchase with traditional mortgages. Finally, increased consumer debt both secured and nonsecured, coupled with a low savings rate in the United States, have lead to an increase in both bankruptcies and foreclosures.

In 2008, a mortgage crisis developed which lead to serious financial problems with lenders and investment banking firms. So complete was the shutdown of private mortgage lending in 2008 that 74 percent of loans originated—and more than 85 percent of loans originated in the second half of the year—were bought, insured, or guaranteed by a federal agency or by Fannie Mae and Freddie Mac. Between 2006 and 2008, the Fannie Mae and Freddie Mac share of new mortgage-backed security issuances soared from 40 percent to 74 percent, while the Ginnie Mae share jumped from 4 percent to 22 percent. (Fact Sheet, 2009)

In September 2008, both Fannie Mae and Freddie Mac were taken over by the federal government as a result of the role that they played in the increase of mortgage lending to subprime borrowers and to other borrowers through

creative mortgage financing that allowed them to purchase more house than they could afford. The foreclosure and financial crises also led to the federal bailout of AIG and to the purchase of Countrywide Mortgage and Merrill Lynch by Bank of America. Many other financial institutions were negatively impacted by the crises. By the fall of 2009, over 100 banks had been closed.

According to the 2009 Harvard State of the Nation's Housing Report, first-lien one- to four-family loans in foreclosure rose by 62 percent in 2008 alone. By the first quarter of 2009, 3.9 percent of these loans were in foreclosure, while the share that were at least 60 days past due or in foreclosure had reached 8.8 percent. According to the Mortgage Bankers Association, at least 3.2 million homeowners entered foreclosure in 2007 and 2008, and an additional 600,000 entered foreclosure in just the first quarter of 2009. Given the combination of lower home values and higher loan balances from cashing out equity, Moody's Economy.com estimates that more than 14 million households owned homes that were worth less than their outstanding mortgages in March 2009. (Fact Sheet, 2009)

While mortgage debt cannot be discharged in bankruptcy, under the old law, households could file chapter 7 or chapter 13 in order to cancel debt or develop a repayment plan respectively. This allowed the debtors to walk away from a property that they didn't want to keep or to continue making payments on a mortgage for a home that they wanted to keep. Under the new law, the foreclosure process may proceed even as the debtor is involved in the credit counseling and debtor education course dictated by the new law. Thus, under the new law, there may be a greater risk of foreclosure. There have been efforts by Congress to reduce this risk. In 2007 – 2008, S.2136 was introduced in the U.S. Senate. It would have given bankruptcy judges the power to modify the terms of residential mortgages by reducing the loan balance and/or the interest rate or some combination of adjustments to keep a homeowner in his or her home. S.2136 did not become law. Numerous nonprofits today are assisting homeowners through the foreclosure process and preventing the loss of homes across the nation. Care should be taken in selecting an entity to assist you in the foreclosure process because of the proliferation of foreclosure scams during this crisis.

### **The New Bankruptcy Law and the Homestead Exemption**

The responsibility to set exemption levels is split between the federal government and the states. Federal law mandates the "fresh start" in Chapter 7, so that it applies all over the U.S. There is also a set of Federal bankruptcy exemptions for various types of wealth. However in 1978, Congress gave the states the right to opt out of the federal wealth exemptions by adopting their own, so that wealth exemptions vary across states. States' wealth exemptions apply both in and outside of bankruptcy, while the federal wealth exemptions apply only in bankruptcy. States generally have separate exemptions for equity in owner-occupied homes ("homestead" exemptions), clothing and furniture, "tools of the trade," automobiles, retirement accounts, and other assets. Homestead exemptions, in particular, vary widely, from zero in the District of Columbia to unlimited in Texas, Florida and five other states. Because debtors can easily convert nonexempt assets such as bank accounts into home equity before filing for bankruptcy, high homestead exemptions protect all types of wealth for debtors who are homeowners. (M. White, 2005)

BAPCPA enacted in 2005, contains numerous clauses that affect the homestead exemption in bankruptcy. Several of these clauses are summarized below.

### **Homestead Exemption After October 17, 2005**

Under Bankruptcy Code Section 522(o), if a debtor takes what would otherwise be nonexempt property within a 10-year period prior to filing bankruptcy and converts that nonexempt property into his homestead, the amount of the homestead exemption will be reduced by the amount of that nonexempt property so disposed and converted into the homestead if it can be shown that the liquidation and conversion of the nonexempt property into homestead property was done with the intent to hinder, delay, or defraud a creditor. (McHugh, 2005) Although most of us do not plan to file bankruptcy 10 years in the future, this section discourages the unlawful practice of converting nonexempt property to exempt property. It also warns the potential filer of the level of scrutiny to expect if bankruptcy is elected.

Section 522(b)(3) specifies that the debtor's exemptions in the state in which the debtor's domicile was located for two years before the filing controls. If the debtor did not maintain a domicile in a single state for that two-year period, the governing exemption is that of the place of the debtor's domicile for the majority of the period between two and two-and-a-half years before the filing. This ruling limits the ability of a debtor to transfer nonexempt assets to states with high homestead exemptions by purchasing more valuable homes in one of these states. For example, if a couple moves to a state with an unlimited homestead exemption and files for bankruptcy shortly after moving, they would only be able to apply the homestead exemption from their previous state where they lived for more than two and a half years. And if that state's exemption is greater than \$125,000, the federal exemption cap of \$125,000 would be applied.

Further, under Section 522(p), a debtor may not exempt any amount of interest that was acquired by the debtor during the 1,215-day period (three years and four months) preceding the date of the filing of the petition that exceeds the aggregate of \$125,000 in value in the debtor's homestead unless it was transferred from another homestead in the same state or the homestead is the principal residence of a family farmer. Further, under Section 522(q), there is an absolute \$125,000 homestead cap if the court determines that the debtor has been convicted of a felony, owes a debt arising from a violation of federal or state security law; fraud, deceit, or manipulation in a fiduciary capacity... fiduciary fraud, racketeering, or crimes or intentional torts that caused serious bodily injury or death in the preceding five years. The following two cases are examples of how Sections 522 (p) and (q) are applied in Florida and Texas:

#### Example 1:

.... Elona Kaplan ("Kaplan" or "Debtor") was the owner of a property in Sunny Isles Beach, Miami (the "Property"), which she acquired in April 2003. Debtor filed a bankruptcy petition under chapter 7 of the Bankruptcy Code on May 17, 2005, less than 1215 days after she acquired the Property. In her schedules, Debtor valued the condo at \$280,000 and listed a first mortgage in the amount of \$181,000. Debtor then claimed that the Property was exempt. The Chapter 7 trustee objected to Debtor's claimed exemption. The Chapter 7 trustee alleged that an appraisal of the Property showed that it was worth between \$325,000 and \$350,000, and she had approximately \$144,000 to \$169,000 in equity. According to the trustee, the equity was not exempt under BAPCPA because the Property had been acquired within 1215 days of the bankruptcy petition date. The Bankruptcy Court sustained the Chapter 7 trustee's objection holding that Florida's real property homestead exemption is subject to a \$125,000 cap (or \$250,000 for joint filers) under BAPCPA.

Source: "Is Florida Still A Debtor's Haven On The Eve of Bankruptcy?" by Sonia Colón, O'Neill & Borges, American Bankruptcy Institute, February 9, 2007.

#### Example 2:

When filing bankruptcy and using the Texas homestead exemption, you must have lived in Texas for 2 years before filing for bankruptcy. If you do not qualify for the Texas homestead exemption because you did not reside in Texas for at least 2 years before filing bankruptcy you can use the Federal homestead exemption which is limited to \$125,000. You are also required to use the Federal homestead exemption limit of \$125,000 if you purchased the property within 1215 days (3.3 years) prior to filing for bankruptcy.

The value of the homestead exemption may also be reduced if it is determined that the debtor added to the property with the intent to hinder, delay or defraud creditors during a 10 year period before filing bankruptcy.

Source: <http://www.allmandandlee.com>

When filing a bankruptcy petition, home owners need to be knowledgeable about the implications of federal and state homestead exemptions. They should also understand that particularly in a chapter 7 filing, it is possible to lose property based on the exemption rules presented above. A fresh start is exactly that – you eliminate burdensome debt; but you may also lose your property.

The bankruptcy process is quite complex and requires the professional assistance and guidance of an attorney. The information presented in this module is intended to introduce students to bankruptcy as it relates to key real estate investment decisions, primarily, the principal resident. It is important to understand that the changes in the law discourage the filing of bankruptcy, especially chapter 7.

### **Summary**

The new bankruptcy law (BAPCPA) was enacted in 2005. The original intent of the law is to discourage filings in federal court under Chapter 7 of the Bankruptcy Code by individual debtors, in order to prevent abuse of the bankruptcy process. This module presents key changes in the law and the implication of these changes for the mortgage foreclosure process. Understanding this relationship is essential for responsible home ownership.

### **Glossary**

**Automatic Stay** – An injunction that automatically stops lawsuits, foreclosures, garnishments, and all collection activity against the debtor the moment a bankruptcy petition is filed.

**The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005** – signed into law on April 20, 2005; and became effective October 17, 2005. The explicit legislative intent of the new law is to discourage filings by individual debtors, in federal court, under Chapter 7 of the Bankruptcy Code.

**Bankruptcy Court** – There is a bankruptcy court for each judicial district in the country. Each state has one or more districts. There are 90 bankruptcy districts across the country. The bankruptcy courts generally have their own clerk's offices.

**Bankruptcy Discharge** – releases the debtor from personal liability for certain specified types of debts. The debtor is no longer legally required to pay any debts that are discharged.

**Bankruptcy Judge** – a judicial officer of the United States district court. The bankruptcy judge may decide any matter connected with a bankruptcy case, such as eligibility to file or whether a debtor should receive a discharge of debts.

**Chapter 7 Bankruptcy** – entitled Liquidation, contemplates an orderly, court-supervised procedure by which a trustee takes over the assets of the debtor's estate, reduces them to cash, and makes distributions to creditors, subject to the debtor's right to retain certain exempt property and the rights of secured creditors.

**Chapter 13 Bankruptcy** – entitled Adjustment of Debts of an Individual With Regular Income, is designed for an individual debtor who has a regular source of income. Chapter 13 is often preferable to chapter 7 because it enables the debtor to keep a valuable asset, such as a house, and because it allows the debtor to propose a "plan" to repay creditors over time – usually three to five years.

**Current Monthly Income** - the average monthly income received by the debtor from all sources during the six calendar months preceding the filing.

**Exempt Property** – Federal Bankruptcy Law provides that an individual debtor can protect some property from claims of creditors because it is exempt under federal bankruptcy law or under the laws of the debtor's home state.

**Federal Exemption Cap** - \$125,000 homestead exemption cap prevents filers from transferring nonexempt assets into exempt assets through the purchase of more expensive residential properties in states with high homestead exemptions.

**Means Test** – a two-step process in BAPCPA, 2005, used to determine if an individual debtor is eligible to file chapter 7 bankruptcy.

**Nonexempt Property** – Property available for sale to generate cash that can be used to pay creditors. Distributions are made according to guidelines stipulated in the law. The distributions are also subject to the rights of both debtors and creditors.

**Trustee** – appointed to oversee the bankruptcy administrative process.

## Review Questions

1. What is the purpose of the BAPCPA, 2005 act?
2. List and briefly describe three changes in BAPCPA, 2005 act that affect personal bankruptcy.
3. Briefly describe the chapter 7 bankruptcy process. How does it differ from the chapter 13 process?
4. What evidence is there that the BAPCPA of 2005 fueled the mortgage foreclosure crisis in 2008?
5. How is the federal exemption cap applied in the bankruptcy process?

## Exercises

1. There are numerous online means test calculators. A few are listed below. Your Professor will provide data for you or ask you to generate fictitious numbers. Use one of the online means test calculators to determine which bankruptcy chapter to file.
2. Select an article from the popular press (i.e., BusinessWeek, Fortune) on bankruptcy and mortgage foreclosure. Choose articles dated after 2005. Read and summarize the article. Be prepared to share your findings in class.
3. Attend a workshop for first-time home owners and/or a debt management workshop. Prepare a written summary and an oral presentation of what you learned.

## ONLINE RESOURCES

<http://blogs.law.harvard.edu/shlep/2006/10/06/bankruptcy-law-self-help/>

<http://www.allmandandlee.com>

<http://www.bankruptcy.me/chapter-7/default.aspx>

[www.Chapter7.com](http://www.Chapter7.com)

[www.ClearBankruptcy.com](http://www.ClearBankruptcy.com)

<http://www.startfreshtoday.com>

<http://www.totalbankruptcy.com>

<http://www.foreclosure.com>

<http://zmtbankruptcy.com>

## CONCLUSION

BAPCPA of 2005, was enacted primarily to reduce abuse of the U.S. Bankruptcy Code. The changes to the law specifically limit a debtor's ability to transfer nonexempt assets into exempt assets, by paying off mortgages or purchasing more expensive homes. The new law also sets time constraints on property that can be claimed as exempt. Even long-term investments are scrutinized to determine if fraud has been committed. Property owners need to be mindful of the restrictions as they make real estate investments. Students taking a principles of real estate course are usually interested in home ownership. This is an opportune time to emphasize responsible investing and consequences of poor financial planning. An introduction to the bankruptcy law should be included in this coverage.

The bankruptcy module developed in this paper can be used in a principles of real estate course to educate students about the relationship between bankruptcy and mortgage foreclosure. It provides a discussion of the impetus for the 2005 changes to the U. S. Bankruptcy Code, and the implications for home ownership and mortgage foreclosure. The means test, credit counseling and debt education, filing and legal fees and the homestead exemption are discussed in this module. The exercises at the end of the module encourage additional discovery about the bankruptcy and foreclosure processes.

## REFERENCES

- Colón, Sonia “Is Florida Still A Debtor’s Haven On The Eve of Bankruptcy?” O’Neill & Borges, American Bankruptcy Institute, February 9, 2007.
- Culhane, Marianne B. and Michaela M. White , “Taking the New Consumer Bankruptcy Model for a Test Drive: Means-Testing Real Chapter 7 Debtors.” American Bankruptcy Institute Law Review, vol. 7, no. 1 (Spring 1999).
- Floyd, Charles F., and Marcus T. Allen. *Real Estate Principles*, 9<sup>th</sup> Edition, Dearborn Real Estate Education, Chicago, 2008.
- Joint Center for Housing Studies of Harvard University, The State of the Nation’s Housing. Graduate School of Design|Harvard Kennedy School, February, 2004.
- Joint Center for Housing Studies of Harvard University, Fact Sheet: The State of the Nation’s Housing, June 22, 2009.
- Larsen, James E. *Real Estate Principles and Practices*, Wiley, 2003.
- Lehnert, Andreas (2006). “Overview of US Mortgage Markets,” Board of Governors of the Federal Reserve System .
- Ling, David C. and Wayne R. Archer, *Real Estate Principles: A Value Approach*; 2<sup>nd</sup> Edition, McGraw-Hill, Boston, 2008.
- McHugh, Randall S. (2005). “Bankruptcy Reform: Red Flag Documents, Homestead Exemptions, and Lease Payments,” USFN Report, September 13, 2005.
- Shilling, James D. *Real Estate*, South-Western, a division of Thomson Learning, Cincinnati, 2002.
- U. S. Courts Bankruptcy Basics Chapter 7 Before and After October 17, 2005: <http://www.uscourts.gov/bankruptycourts/bankbasics.pdf>
- U. S. Government Accountability Office. Report to Congressional Requesters – Bankruptcy Reform – Dollar Costs Associated with the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005.
- White, Michelle J. (2005). “Bankruptcy Law,” Chapter for the Handbook of Law and Economics, edited by Polinsky and Shavell.
- Williams, Dwight H., Jr., United States Bankruptcy Judge, Middle District of Alabama. “What Does The ‘Means Test’ Mean?” Sixteenth Annual Bankruptcy Law Seminar, Cumberland School of Law, October 7, 2005.

# The Jazz Metaphor for Management Educators: Making Meaning with Students through Swinging Improvisation<sup>1</sup>

Gordon W. Meyer, Canisius College, Buffalo, New York, USA  
Girish Shambu, Canisius College, Buffalo, New York, USA

## ABSTRACT

We apply the metaphor of jazz improvisation to teaching and learning processes in the management classroom. We describe several characteristics of effective jazz improvisation, and behavioral analogues in teaching for which we provide classroom examples. The underlying structure of improvisational teaching, the role of accompaniment and swing, the importance of “improvisational memory,” and improvisational teaching as performance are all discussed. We briefly explain how improvisation in the classroom can foster new teaching practices that, in turn, set the stage for the next cycle of improvisation. We also outline the risks of using improvisation in the classroom.

**Keywords:** management pedagogy, management education, improvisational teaching, teaching metaphor

## INTRODUCTION

Teachers<sup>2</sup> in higher education are increasingly expected to engage students in active learning. Our hypothesis is that those teachers who are able to improvise – and respond to the emergent dynamics of the classroom – are better able to foster such student engagement. Jazz performers engage audiences by improvising spontaneous, unrehearsed, not-written-down performances. There are, we believe, compelling parallels between the foundations and practices of jazz improvisation and the effective facilitation of the learning of an ensemble of students.<sup>3</sup>

In this paper, we explore the metaphor of a management instructor as jazz ensemble leader and improviser.

---

<sup>1</sup> We gratefully acknowledge the thoughtful comments made by colleagues Pat Coward, Kent Fairfield, Tom Hawk and Jill Purdy and two anonymous reviewers regarding earlier versions of this paper. Their comments and judgments have helped us to improve the manuscript markedly. As always, we remain responsible for any errors.

<sup>2</sup> Readers may be puzzled by our choice to describe the actions of “teachers” rather than referring to professors or instructors. Although we are college faculty, we have chosen to use the term teacher rather than faculty, instructor or professor because we are interested in the teaching-and-learning process generally and believe “teacher” accurately describes the role we play in the classroom. The increasing prominence of the “scholarship of teaching and learning” validates that choice. We celebrate the role of teacher in all teaching-and-learning settings.

<sup>3</sup> We are not the first to find jazz and improvisation revealing metaphors for management and organizational studies. DePree argued the business leader is similar to the jazz band leader and wove the jazz metaphor through his book *Leadership Jazz* (1992). In *Jamming* (1996), Kao described the ecstasy he felt when he first heard a simple and elegant improvisation by John Coltrane. Jazz improvisation, or jamming, is his “life’s driving metaphor” (page 30) and the metaphor that informs his discussion of business creativity. More recently, Gladwell (2005) used comedic improvisation to illustrate the kind of structured spontaneity and thinking that his book *Blink* is about. In organizational studies, Alan Meyer, Peter Frost and Karl Weick edited a special issue of *Organization Science* (1998) on jazz improvisation as a metaphor for organizing in the 21<sup>st</sup> century. It is very rich with ideas. Though we learned from these works, we have chosen to rely primarily upon discussions of jazz improvisation in the works of jazz scholars, journalists, and performers rather than the more derivative discussions of jazz or improvisation in the literatures on management and organizations.



There is a common misconception that jazz is a free-form music without structure, relying primarily upon “on-the-spot” improvisation. It is sometimes thought by those not intimately familiar with jazz improvisation that the musicians “make it up as they go along,” using little more than imagination and casual invention, eschewing any kind of advance pre-meditation or preparation.

Nothing could be further from the truth. When we witness a jazz performance, what may appear to be nothing more than spontaneous invention is instead the fruit of long years of preparation. What’s more, jazz is a highly structured music. The performance of a jazz tune is typically based on the following three-stage structural formula, the stages following each other in sequence: (1) statement of the melody of the tune (the “head melody”); (2) melodic improvisations (known as “solos”); and (3) a re-statement of the “head melody” in closing. During improvisation (or soloing) the musician always keeps the original head melody in mind, using it as a backbone or template. Solos play variations upon the head melody, embellishing, elaborating, and spinning inventions upon it. Even when solos depart markedly from the head melody, they never lose sight of it. The head melody provides a structure, a point of reference for solos even when the solos depart from the head melody during the process of improvisation.

So, employing improvisational practices in the classroom does not mean abandoning all structure and surrendering to the chaos and flux of the moment. Instead, improvisation in the classroom is about firmly establishing a structure for each class session—just as a jazz group would agree to perform a certain tune whose melody (its underlying structure) would be familiar to all group members.

In this paper we propose the use of six key jazz improvisation practices, specify their analogues in teaching practice, and provide examples to illustrate their use in the classroom. We have summarized our thinking about these six practices in Table 1.

### **1. Play the head melody clearly and carefully**

As mentioned above, a jazz performance begins with a statement of the head melody. Analogously, in the improvisational classroom, it is the teacher’s responsibility to play the head melody clearly and carefully. What is this head melody in the context of the management classroom? It is a particular topic treated in a particular fashion. Or, put another way, it is a particular pathway that the teacher follows through the topic during a certain class session. For example, a class session on quality management might begin with a lecture on the consequences of poor quality, the dimensions of quality, and the three costs of quality (failure, appraisal, prevention), moving on to a class discussion on what activities comprise the prevention costs of quality. So, the head melody played by the teacher selects not only certain sub-topics within the large topic (quality management) to which the class is devoted, but also chooses the fashion or manner in which they will be treated (e.g. lecture, large-group discussion, etc.). Thus, it is important for the teacher to establish and clearly communicate the head melody since it forms the underlying structure of each class session. Often, in order to strengthen the performance of this head melody in the classroom, the teacher will assign readings (from the text, articles, prepared notes, etc.) for students to do in preparation for the class. It has been our experience that the degree of preparedness of our students with these pre-assigned readings or other source of structure is a major factor in the success or failure of improvisation-based teaching approaches in the classroom. Study questions for students to consider while completing the assigned reading may also help to introduce students to the head melody. Sometimes at the beginning of a session, we will introduce an outline of our treatment of a topic to communicate, at least in part, the melody. Often quite spontaneously, we will, at the end of a class session, leave students with a question to consider or a personal experience to bring to class to discuss in the next session. Such a request provides a continuity from the melody of one class session to the melody of the next.

**Table 1: Summary of improvisational metaphor and teaching practices**

<b>Improvisational practice</b>	<b>In jazz improvisation</b>	<b>Analog in teaching</b>	<b>Some related teaching practices</b>
Playing the head melody clearly and carefully	Jazz performance begins with a statement of the head melody. The head melody provides a structure, a point of reference for solos even when the solos depart from the head melody during the process of improvisation.	Keeping in mind and making clear the structure of a class session/ course. Avoiding diversions that are not consistent with that structure. Provides focus for teacher and learners.	<ul style="list-style-type: none"> <li>• Assign study questions about readings</li> <li>• Post public outline of session</li> <li>• Bring group back to the structure of the head melody when discussion diverges</li> </ul>
Creating improvisations compatible with the melody	Improvisers compose new melodies while keeping the head melody in mind.	With regard to content, this means focusing on content that is rooted in the underlying structure. With regard to process, this means choosing interventions that create/sustain the feeling of the melody.	<ul style="list-style-type: none"> <li>• Link student contributions to conceptual framework of the underlying structure</li> <li>• Use Socratic questioning to draw out student solos</li> <li>• Have students author personal “cases” built upon a melody</li> </ul>
Swinging	Characterized by steady tempo, energy, group cohesion providing momentum. Violating expectations with syncopation – accenting “weak” beats – can create tension and contribute to swing.	Using surprise or juxtaposing processes to create momentum and energy.	<ul style="list-style-type: none"> <li>• Call on students in unpredictable ways e.g. person sitting to right of group recorder</li> <li>• Think-pair-share to energize discussion</li> <li>• Heighten tension with Socratic questioning</li> </ul>
Remembering and editing one’s improvisations	Mature jazz improvisers tend to play sparse solos. They avoid playing “too much” – cramming every idea they can think of into a solo.	Editing one’s statements for clarity. Eliminating unnecessary detail or complexity. Developing methods for recording teaching improvisations for future reflection and editing.	<ul style="list-style-type: none"> <li>• Prune unnecessary details from slides etc.</li> <li>• Journal about what improvisations worked and what did not</li> <li>• Use course mgt. software to document topic coverage &amp; student reactions</li> </ul>
Thinking ahead	Creating interesting, logical, yet surprising solos by thinking ahead about future phrases. Turnarounds in jazz compositions mark a return to the opening chords of the head melody.	Identifying in advance questions that raise important issues. Anticipating key points that merit emphasis and that can be used to set up exploration of a new concept or issue.	<ul style="list-style-type: none"> <li>• Identify intermediate destinations representing key issues and questions</li> <li>• Manage the flow of a session to allow for productive digressions (soloing) while anticipating those intermediate destinations.</li> </ul>
Accompanying student soloists	Good accompaniment supports and stimulates soloing and is grounded in the head melody. Improvisers respond to phrases, melodic and rhythmic, played by accompanists.	Seeing students as improvisers to be accompanied. Building on student contributions. Reemphasizing the melody to frame student contributions.	<ul style="list-style-type: none"> <li>• Encourage students to lead discussions of topics about which they have expertise</li> <li>• Give students time to prepare brief contributions and then call on them to solo</li> <li>• Respond to student contributions by connecting them to the head melody and/or pushing students to do so</li> </ul>

For example, in an undergraduate production/operations management course, we might allocate five hours to the topic of facilities layout, working from an estimate that it might take four hours to cover the topic using a traditional approach that made little or no use of classroom improvisation. The extra hour would allow for exploration of unforeseen areas of inquiry in the classroom. In the context of a particular classroom session, the structure might be: an introduction to three common layout models (product, process and cellular); and an examination of the issues of workflow, capital and labor intensiveness, required skill levels, and throughput time in each of the three models. This structure would serve an analogous function to the head melody of a jazz performance.

We would then attempt to stimulate discussion in several potential directions. For example, in the above facilities layout session, discussion in a past class session led from capital intensiveness of a product layout to equipment inflexibility, equipment investment levels, high entry and exit barriers, financial justification of expensive specialized machinery, and the critical importance of machine utilization levels, concluding by resurrecting a debate regarding efficiency- and effectiveness-based performance measures.

In another section of the same course, the discussion took seed, as before, in the capital intensiveness of the process, but then led in an alternative but equally fruitful direction: the resulting low labor intensiveness of those processes, required level of employee skill, employee authority and responsibility in quality control decision-making, reliance on final inspections, levels of scrap and rework costs, long throughput times, and thus poor effectiveness in quick response to customers. Curiously, in a surprise typical of improvisation, the discussion ended just as it had in the other section, with a contrasting of effectiveness- and efficiency-based measures. The presence of the underlying structure (contrasting the three layout models on a certain set of criteria) allowed a home base from which to depart on journeys to new ports of call over the course of the class session.

Occasionally the head melody is played not by the teacher but by students. This might occur in advanced-level electives. For example, in a sustainability class, we assigned readings to students and provided focused review questions to help them read with a fine-toothed comb in advance of class. During the class session, we created groups, each of which became responsible for explaining and discussing key issues from the readings—i. e. playing the head melody—with some stimulation, help and direction from the teacher. It is natural that students playing the head melody for the first time will struggle to play it clearly. Even faculty members teaching a course anew will find it challenging to do so. It is practice—as in the case of musicians—that will help them play the melody clearly and carefully over time.

## **2. Creating Improvisations Compatible with the Melody**

It is important for a jazz improviser to keep the head melody in mind at all times, even when the melody has been temporarily abandoned, and improvisation is taking place (Hatch, 1999). Analogously, when class discussion ventures into unanticipated territory, it is important for the teacher to keep in mind the foundational structure for the class session. It may often be necessary to allude to that structure, directly or indirectly, when discussion moves further afield than is deemed appropriate for that session. Opening each class session with a statement of the topics and subtopics helps to establish, in the student's mind, a class session "map" within which discussion can freely travel about. With experience, the teacher will develop a better sense of what avenues to encourage and pursue, and when to terminate a discussion (sensing either a "cul-de-sac" or a potentially "distant" territory not immediately pertinent to the immediate exploration), always providing a rationale for doing so.

When initiating improvisation in the classroom, it is key that the melody serve as both a point of departure and as a point of return. In other words, the improvisations must be tightly linked to—compatible with—the melody being "played" in class that day. Either content or process can be the object of improvisation. For instance, to manage the content focus, an improvising teacher might ask students to respond to a list of trigger questions or to complete tasks that relate to the topic of the session that are rooted in assigned reading or linked to a session outline. With regard to classroom process, an improvising teacher might create a compatible phrase by making an on-the-spot decision to use a small group process for discussion in order to sustain the swing of a session. At another time, because she wants to generate quick participation and individual accountability, she might give students some individual reflection time and then simply call on individual students in some announced order. The key to this principle of

effective improvisation is that the teacher introduces elements that fit the underlying structure of the session. This means, of course, that the teacher must consistently remain cognizant of that structure – the content, process and feel of the session.

To illustrate with an example, in courses in principles of management, organizational behavior or human resource management, we will often teach equity theory as a way of understanding workplace motivation. A central concept in equity theory is a person's perception of the ratio of his or her outcomes from doing the job to what he or she contributes or puts into the job. As an instructor, one can invite students to improvise by listing factors that they consider when evaluating whether they are being treated fairly on the job. An improvising instructor might record those factors so that all students can see them in two columns sorted as work outcomes or inputs, but without labeling the columns. Inevitably, some items fit into both categories. For example, some students think taking a less popular or more onerous work schedule is an input that merits special reward. But one's work schedule can also be an outcome/reward for good performance. Thus, the teacher may have a chance to reframe a student's solo to show how the phrase is compatible with the head melody.

In a further example of using phrases that are compatible with the melody when discussing equity theory, we have observed that one might choose to resist the temptation, in the context of a discussion of motivation, to note that equity is only one norm that might inform judgments of justice. While a professor might note that rewards can be allocated on the basis of equality or need, rather than equity, doing so could be dissonant. This illustration is also consistent with a principle we address later: editing your work as a soloist.

One of the joys of improvisational teaching is that no two solos are the same. Two musical improvisations upon the same piece by two different ensembles may vary markedly in terms of adventurousness, sophistication, and richness. One notable factor that significantly influences the complexity of solos is the level of sophistication of the students in the class. In a senior-level elective on quality management, we held students responsible for reading about a particular topic or chapter in advance of each session and tested them by means of a quick "lightning quiz" at the start of class. For the rest of the class session, the reading provided a backdrop to ignite discussions on some aspects of the topic or chapter at hand. We almost never determined all these discussion ignition points in advance, relying instead on the students to uncover and bring to light points of interest during the class session, occasionally aided by the catalyzing intervention of the Socratic method.

Not every student in the classroom has to possess a high level of sophistication and ability in order for fruitful improvisations to occur. Sometimes, the presence of just one or two students who fall into that category can be sufficient to significantly enhance the efficacy of improvisation and enhance learning. The quality management course mentioned above had one such student with a wealth of quality-related work experience whose comments and insights consistently provided an inexhaustible source of discussion seeds that resulted in an unforeseen depth to the examination of the issues at hand. Each such seed had the potential to spark an improvisationally-driven line of inquiry.

It is worth noting that our students often have more experience with organizational topics than they recognize. We have learned to help students play solos by giving them a chance to author their own personal cases of organizational life so that they come to value that experience more highly. Sometimes it is as simple as asking students to briefly describe an example of a phenomenon that is related to a concept or theory we are discussing, such as "Describe your preparation for our most recent quiz or exam." Having such a story to tell makes it possible for students to play solos that are compatible with a discussion of the expectancy, instrumentality and valence variables in expectancy theory. Alternatively, we sometimes use personal case writing assignments in which students compose longer written descriptions of their experiences with specific employment or organizational processes. These approaches help students create solos that are compatible with the head melody and increase the chances that members of the ensemble will play solos that engage students because the music is more relevant to their immediate experiences.

A good melody can serve as a wellspring for countless rich improvisations, and is thus inexhaustible. Likewise, a fertile head melody for a class session contains countless potential solos. But a jazz performance will never be able

to travel every possible avenue of improvisation. This means accepting that some subtopics will not receive much or any attention during a class session. In fact, improvisational teachers learn that as students do more spontaneous soloing, those solos can influence which subtopics are explored in greater depth than others. In an exclusively pre-scripted approach without improvisation, this risk is much reduced or even eliminated. For instance, the inventory management topic in our operations course has evolved over time and now includes fewer detailed explorations of alternative economic order quantity models. Instead, this reduced breadth has made possible a more careful and substantive treatment of such areas as the ABC system of inventory classification, cycle counting, inventory performance measures, and vendor-managed inventory, all of which had previously received relatively cursory attention because there were simply too many topic areas jostling for space within the time allotted for coverage of inventory management.

### 3. Swinging

In jazz, the all-important feeling of “swing” is characterized by a steady tempo, a sense of group cohesion, and an energy and spirit. Swing provides a momentum to the performance, giving it a rhythmic tug that carries the ensemble forward. Syncopation, which means accenting “weak” beats rather than “strong” ones, thus subverting expectation and playing slightly behind the beat, also contributes to the sense of swing. Gridley (1994) notes that a key element of the impact of syncopation is the ‘upset’ or tension it creates when we expect to hear one rhythmic pattern and instead experience another. That violation of our expectation can be stimulating.

Very often, jazz compositions contain patterns of tension and release which can contribute to momentum, surprise and swing. Certain commonly employed cadences make use of dissonances which then set up resolutions (releases). This undulating scheme of tension and release for dramatic effect is a general principle not unique to music but widely pervasive in other art forms as well, for example in film (Pearlman 2009). In the classroom, we apply this principle through the use of the Socratic method, which suspends students in periods of uncertainty (tension) during a class session. As multiple viewpoints and objective facts emerge during the course of an improvised discussion, the class engages in an individual and collective process that gradually results in some resolution, or release.

A classroom session swings by the presence of momentum and energy, which help foster a sense of engagement. Syncopation has its analogue in consciously employing an element of “surprise” in the classroom. This might be achieved by varying the mode of presentation, for example, by alternating between using the blackboard, slides, and throwing questions out directly to students. We often create impromptu in-class group assignments, depending on a turn a class discussion might have taken. For example, a discussion of mass production and *The Machine That Changed The World* (Womack, Jones and Roos, 1991) led to the beginnings of a debate on standardization. Instead of continuing with the debate in the large-class format, we divided the class into small groups and assigned them the separate tasks of cataloging the benefits and drawbacks of product and process standardization. We had each group choose someone who would record its work on a transparency. Each group was given ten minutes to prepare its points, and then we requested that the person sitting to the right of the recorder present the group’s work to the class. We mention this example to point out the element of *unpredictability* that can be incorporated into a classroom. This element of chance, integral to improvisation, prevents the ensemble from settling comfortably into pre-determined patterns and roles, thus fostering an active and alert spirit in the classroom.

Another technique that has proven useful in our courses is “think-pair-share.” We may suddenly interrupt a lecture to give an impromptu open-ended question to the class. The students have about a minute to reflect upon this question, after which they are paired to discuss their answers in collaborative fashion. Finally, students share their answers with the rest of the class. Such a change of pace, accompanied by an unexpected demand of investment on the students’ part, helps energize the class and give it momentum, making it “swing.”

This technique allows for an easy opportunity for students to solo. Since they have had a chance to “rehearse” their solos, playing them in public is not only less intimidating, but also improves the chances that the solos will be articulated more clearly than if they were delivered impromptu. It also makes for a change of pace for the class, and teachers are able to call upon students without intimidating them unduly since the students are allowed some time to privately discuss their points before responding. In musical terms, it is analogous to creating a “practice room” that permits multiple solos to be refined and clarified before they are played in public.

In the operations management classroom, the Toyota approach of the “five why’s” is one among many techniques an instructor can use to introduce an element of swing and engagement in the problem-solving process. In it, each response is countered with the question “why?” until we are able to drill down to the root cause(s) of the problem. This method discourages lingering solely on the effects or symptoms of a problem, instead merely using them as a pretext to uncover hidden causes.

One final word: It is no accident that our examples in this section on swinging emphasize process rather than content. Our intuition is that momentum in a class session is content-neutral. Talented teachers, working in a variety of disciplines, employ the basic principles—such as tension-and-release—that are discussed in this section.

#### **4. Remembering and Editing One’s Improvisations**

Jazz saxophonist Gary Bartz has noted (Berliner, 1994) that his improvement as a musician over the years is closely related to his learning how to edit his ideas, thus making him better able to follow ideas through to a logical conclusion. Our classroom experience has similarly taught us to understand the value of editing our statements for clarity. One of us uses overheads as a teaching tool; over the years, his overheads have become much less wordy and now emphasize only the essential points. We have had similar lessons with regard to class handouts.

This feature of jazz improvisation can help remind improvising teachers that improvisation does not mean being profligate by telling meandering stories that lack focus and clarity. It also should discourage teachers from concluding that sharing more knowledge is always better than being concise and cogent. Improvising teachers vigilantly prune their verbal contributions of elements that obfuscate or detract from the critical points. For us, teaching multiple sections of the same course in back-to-back periods provides many opportunities for editing our solos. It is common for us to remind ourselves in the second session what we do not want to include from the earlier session.

We have also discovered that keeping a teaching journal allows us to record our observations about successful and unsuccessful improvisatory forays in the classroom. This helps us edit our future solos and also factors into redesigning both content and process in the course. The jazz pianist-bandleader Horace Silver was well known for taking his band on the road for several months and trying out variations of his arrangements night after night, until they had been refined, at which point he was ready to go into the recording studio and lay down the final version of the arrangement on wax. Similarly, creating course handouts can be a continually evolving process that is immensely enriched by the fruit of classroom improvisations of semesters past. Solos played in-class can be unpredictable, exciting, and insightful. But it is our experience that unless insights from these solos are captured in some manner for future use, they tend to vanish quickly from our memory. For example, we tend to revise our course handouts and assignments immediately after we cover the material rather than wait till the end of the semester or the next time we teach the class to do so. Simple time-saving techniques like noting the date of revision on the handouts, naming them in a self-explanatory fashion, and maintaining an electronic archive help organize and store improvisational memory. Such mechanisms contribute to the richness of future class experiences. Finally, course management software with features for discussion forums or blogging may also facilitate the development of collective memory, as students and instructors join together to record their reactions to classroom processes.

#### **5. Thinking Ahead**

Often, good jazz improvisers play solos which are composed of phrases and lines that seem carefully thought through in advance. It is often said that a good improvised solo tells a story, taking us from point A to point B in a journey that seems logical, interesting and yet surprising. This means that the improviser is both attentive to the present (as she plays her solo, moving from one note to the next) but also thinking ahead to how each new phrase fits into the “story” the solo is telling. Often, she has in mind a certain destination for the conclusion of her performance.

And so it is in the classroom. For example, beginning a discussion of changeover time reduction, we try to get the class to reflect upon the impact on batch size. Once the class realizes that shorter changeover times can mean smaller, more frequent batches, we can help steer the discussion so that by the end of the class session, we have

addressed at least three important points: the quickness of response to customers; reduced inventory carrying costs; and reduced rework costs.

Jazz compositions often contain turnarounds (or turnbacks) that are brief two- or four-measure chord progressions that set up a return to the initial, opening chords of the tune. Turnarounds also function as structural markers or signposts that might signal, for example, a change of soloist, the beginning of a new chorus by the same soloist, or even the conclusion of the piece. Analogously, it can be of value to incorporate such section markers or signposts in the structure of a class session to return to key issues, to call upon students to respond to what the teacher has presented, or to conclude the session in a clear and logical manner.

Recalling a previous example, when discussing the three different costs of quality, we may begin with appraisal costs (costs of inspection or testing, which are easily defined), move on to failure costs (the costs of producing bad-quality products) before concluding with prevention costs. This sequence then logically sets up the next section that begins by asking students for ideas on *how* prevention of bad quality can be accomplished. Following on the heels of a discussion on prevention cost, the new section flows smoothly from the previous one. Thus some sections of material in a topic can be constructed so that they conclude with a “pivot point” that might deftly propel the session forward with a minimum of non sequitur or abrupt change.

## **6. Accompanying Student Solos**

Effective improvisational teaching builds upon the musical contributions of both teacher and students. Teachers are not the sole improvisers in the classroom. In fact, we find that our students are often capable soloists. Having to solo helps engage students. Gridley points out that good accompaniment stimulates good soloing. Because we cannot always predict the content of student questions or the swing of a class session, it is desirable to be flexible enough to adapt to our students as accompanists and fellow soloists. In leading discussions, skilled teachers point out how points made by individual students are related and how such points can contribute to one’s understanding of a topic.

A key function of accompaniment is to provide support and remind students gently of the foundational structure within which they are operating at any time during the class session. “Structure supports but does not specify,” says Hatch (1999). By alluding to the topic material that is grounding the discussion at hand, teachers can help students bring their responses into focus. Good accompaniment by using the right vocabulary can also provide a model for emulation.

In the quality management elective discussed earlier, in the first few weeks of the semester, we noticed that one of the students made numerous references to benchmarking processes. A private conversation revealed that he was helping lead a large-scale benchmarking project at his place of employment. We then offered that in lieu of one of his assignments, he could take responsibility for conducting the class session on benchmarking. The student stepped into the shoes of the ensemble leader for a performance. In order to accompany the student and help him play better in this case, we provided the student a list of questions in advance that would both delimit the specific sub-topics within the larger topic of benchmarking, and also spur the student to think about the best ways to present them.

It is a common jazz practice to engage in “trading fours or eights” by players improvising for four or eight measures each. Often this trading of solo bursts is not pre-planned but instead is dictated by the feeling of the moment. One common application of this idea in our classroom is to give quick assignments that may last only a few minutes. The students might, in small groups or even pairs, dialogue about this specific and focused assignment, airing their ideas to each other and perhaps even jotting down a few notes before responding to the question in full-class format. Doing this has the advantage of drawing out reticent or passive students through the quick group exercise. Once their ideas have been expressed in their groups, they will more easily find their way to the large-class discussion that ensues. Of course, there might be a good deal of redundancy of ideas across groups, but we see little harm in several groups independently arriving at similar answers. In fact, it might even prove useful if the answers happen to be incorrect or misguided. A widespread belief in these ideas can lead the teacher to inquire into the reasons why this belief is mistakenly held by a large proportion of the class.

Goading and stimulating students in the manner of the above examples can facilitate learning by allowing students to come upon, discover, insights on their own, even if it takes some help from the teacher in order to do so. For the teacher, it is important to keep in mind that her role is to support this endeavor of discovery, while making it clear that the students are not in a competitive “cutting contest” in which their solos are meant to upstage those of their fellow students. Thus, the teacher models the behavior of an ideal accompanist, who is alert, engaged, stimulating, and surprising, but not competitive, flamboyant or glory-seeking.

## **JAZZ IS PERFORMANCE**

According to Berliner (1994), “[I]mprovisation involves reworking precomposed material and designs in relation to unanticipated ideas conceived, shaped, and transformed under the special conditions of performance...” While a great deal can be done to prepare for improvisation in the classroom by pre-establishing structure for the topic, assigning readings, etc., one can never get away from the fact that improvisation ultimately is born in the moment during the class session. Like a jazz musician, a teacher who employs improvisational practices is essentially a “practitioner” (Weick, 1998) or a “practicer” (Berliner, 1994). Staying alert to the moment and reacting both judiciously and quickly to the events of the moment is a crucial component of this practice. Hatch (1999) reminds us that jazz is a set of performance practices or processes rather than a predetermined state or outcome. Improvisation is an activity rather than a destination.

Weick (1998) has compared the practice of jazz improvisation to bricolage, an artistic activity of collaging which makes use of whatever materials are at hand and available. Often, improvising in the classroom means building upon ideas and examples that emerge during the classroom session. Sometimes, this material may prove difficult to work with or build upon. The teacher will have to make quick decisions about which emergent material to use and how. Bricoleurs use materials that are considered “low” and humble (for example, junk, found objects, detritus). Similarly, improvisational teachers sometimes find value in simple-formed ideas, flawed thinking, or even outright mistakes.

## **THE ETERNAL CYCLE OF IMPROVISATION AND PRECOMPOSITION**

There is a centuries-old tradition of musical figures who were both formidable composers and renowned improvisers. For example, in the realm of Western classical music, Bach, Handel, Mozart and Liszt were all musical performers known for both their compositional gifts and their improvisational skills. Ian Carr (2000) notes that the two activities are closely connected: “Improvisation, at its best, is composition in motion with all the inevitability of precomposition, and composition at its best has something of the immediacy and dynamism of improvisation.”

A jazz ensemble leader might take basic compositional material (for instance, a jazz standard like Thelonious Monk’s *Blue Monk*) and then fashion a unique arrangement of this familiar piece by playing with, modifying or highlighting certain melodic, harmonic and rhythmic aspects of the basic tune. Similarly, the management educator might view the textbook for the course as containing such basic compositional material. Working from this text material, she might fashion “precomposed arrangements” by the process of identifying the topic and sub-topic areas to be covered, and then developing lesson plans for each class session. However, once the performance (class session) begins, these precomposed plans now serve as a springboard for improvised forays into certain aspects of the material. Thus, according to Berliner (p. 222), “There is a perpetual cycle between improvised and precomposed components of the artists’ knowledge. . . . The proportion of precomposition to improvising is likewise subject to continual change throughout a performance.”

As management educators who attempt to apply improvisational principles in the classroom, we witness the continuous development of renewed compositions each semester. Some of them endure and prove continually effective, while others burn brightly but briefly, dying away without becoming “standards.” For example, in the quality control topic area of the production/operations management course, we initially chose to treat quality assurance procedures in a qualitative (not quantitatively-based) manner. However, upon encountering one particular class group of acute quantitative ability, we modified our approach midway through the semester to include detailed development of statistical control charts and process capability indices. In subsequent semesters, this proved to be cumbersome because of the modest quantitative ability (and consequent sluggish pace of progress) of the students in



the class. So, we chose to drop the coverage of control charts but retain the use of process capability analysis because its quantitative demands were less onerous.

Consequently, the development of fresh compositions over time tends to slowly change the teacher's performance repertoire over time. Comparing the detailed breakdown of content areas in our courses from fifteen years ago to our current course content, we discover that entire topic areas have been excised, and many others radically modified, some of them nearly beyond recognition. The gradual evolutionary process which has been at work here has been seeded by steady, incremental improvisations of the kind that have been cited here.

Different jazz groups tend to strike different balances between the proportion of composed to improvised material. To extend our earlier discussion of solo complexity and richness, we have discovered that advanced or elective-level courses lend themselves to a greater level of improvisation relative to the level of "precomposed" teaching plans. The level of sophistication of the students, their level of work experience, their greater familiarity with the various functional areas of business and their increased analytical ability contribute to the greater likelihood of fruitful improvisations in any class session.

Finally, one might even say that some degree of improvisation is all but inevitable given multiple "performances" of the same material from semester to semester, year to year. Singer Carmen Lundy dryly observes (Berliner, p.66) that "creativity sometimes seeds new inventions as a result of the monotony of repeated performance routines....after you have sung a song a hundred and fifty times, the chances are that you are going to begin doing little, different things with it." In retrospect, our personal experience in the classroom reflects this. After we sing the same song the same way for several semesters, improvisation occurs unavoidably.

## **THE RISKS OF IMPROVISATIONAL TEACHING**

Improvisational teaching involves giving up some things that teachers sometimes hold dear. By its very nature, such teaching means that one should not expect complete uniformity of either processes or outcomes of class sessions. Therefore, testing and other assessment processes must be sensitive to the specific experiences of an ensemble. This may mean that a teacher's favorite questions or assignments are not appropriate to a given group's experiences. (Unless, of course, as is common in our teaching, one builds her sessions and soloing on a structure that assumes those favorite questions.)

Improvisational teaching is also not for those who are unwilling to embrace a certain level of ambiguity in the classroom. We are not always able to predict where our students' solos will take us or that we will be able to answer the resulting questions satisfactorily. Our students do not always remember the head melodies, making us responsible for listening carefully to their solos and making clear the relevance of the solos to the topic under discussion. When a student's solo is unexpected and incompatible, the teacher must make quick judgments about how to respond.

It is also necessary to tolerate a certain level of inefficiency in the classroom. When going from a lecture format to a more improvisational structure, the teacher may often require a greater amount of time to devote to each topic. Arguably this time may result in deeper exploration of certain ideas that deviate from the script. The price we pay for the energy, excitement, surprise, and fruitful discoveries we make thanks to improvisation is occasional time inefficiencies.

## **A CODA**

Improvisational teaching is fraught with risks, uncertainties, and the unexpected. And yet these challenges can result in a teaching experience that is exciting, surprising, and more rewarding than the assured comforts of a comprehensively pre-arranged teaching plan. We hope that some of our readers will be moved to swing with their students and also to contribute to the validation of our ideas by providing the management education community with more evidence of the effectiveness of improvisational teaching.

## REFERENCES

- Berliner, P. F., *Thinking In Jazz: The Infinite Art Of Improvisation* (1<sup>st</sup> edition). Chicago: The University of Chicago Press, 1994.
- Carr, I. (2000, February). "Improvisation and Composition." Presented at the *Brunel Interfaces Conference*, Brunel University, UK. Retrieved January 6, 2008, from <http://people.brunel.ac.uk/bst/vol0102/iancarr.html>
- De Pree, M., *Leadership Jazz* (1<sup>st</sup> edition), New York: Dell Publications, 1992.
- Gladwell, M., *Blink: The Power of Thinking Without Thinking*, New York: Little, Brown and Company, 2005.
- Gridley, M., *Jazz Styles: History and Analysis* (5<sup>th</sup> edition). Englewood Cliffs, NJ: Prentice Hall, 1994.
- Hatch, M. J., "Exploring the Empty Spaces of Organizing: How Improvisational Jazz Helps Redescribe Organizational Structure." *Organization Studies*. 1999. V. 20, Issue 1, pp 75-100.
- Kao, J. *Jamming: The Art and Discipline of Business Creativity*. New York: Harper Business, 1996.
- Meyer, A., P. J. Frost and K. E. Weick (editors), *Organization Science (The Organization Science Jazz Festival: Improvisation as a Metaphor for Organizing)*. 1998. V. 9, Issue 5
- Pearlman, K., *Cutting Rhythms: Shaping the Film Edit*. Oxford: Focal Press/Elsevier, 2009.
- Weick, K. E. Improvisation as a Mindset for Organizational Analysis. *Organization Science*. 1998. V. 9, Issue 5, pp 543-555.

**Gordon Meyer** is Associate Professor of Management and Chair of the Department of Management and Marketing at Canisius College in Buffalo, NY. He has a masters degree in organizational behavior from Brigham Young University and a Ph.D. from the New York State School of Industrial and Labor Relations at Cornell University. His research interests include management education and pedagogy, and he is an Associate Editor of the Journal of Management Education. Readers of this manuscript may not be surprised to learn that Gordon is a wannabe saxophonist.

**Girish Shambu** is Associate Professor of Management at Canisius College in Buffalo, NY. He has an undergraduate degree in chemical engineering from the Indian Institute of Technology and a Ph.D. in Manufacturing Systems from the University of Buffalo. His research interests lie in the areas of sustainability and supply chain management. He is also a cinema scholar who runs a community-oriented, eponymous film blog.

# **Freshman Integration and Retention in the Business School: The Long Term Effectiveness of A Dedicated First Year Business Freshman Experience Course**

Lawrence J. Belcher, Stetson University, DeLand, Florida USA

## **ABSTRACT**

Faced with a shrinking pool of applicants, schools have had to become more creative and attentive in recruiting and retention than ever before. This is especially true in small private, tuition driven schools. To address some issues of establishing a connection to the Business School and University, the School of Business Developed a “University Experience” course specifically for freshmen business majors. This had several objectives: developing skills employers’ desire, “bonding” with other students as well as faculty, and better integration into the college experience itself. This paper describes the course and looks at some long-term issues in its survival. We hope to share the blueprint with others, so that it might serve as a platform for discussion of retention issues in collegiate business schools.

**Keywords:** Freshman retention, persistence, freshman experience, freshman integration

## **INTRODUCTION**

Recent trends in business education and structural changes in the economy have made developing a relevant business curriculum more important than ever. AACSB, the global business school accrediting agency, stresses as one of its core principles the idea of “continuous improvement” and another as the development of specific learning goals. The reality of what many business schools see today is a smaller number of students to recruit in general and more students choosing non-business majors specifically. This makes the recruitment and more importantly the integration and retention of new students critical pieces in the business education puzzle. We need qualified students and then we must find ways to make our learning communities “student friendly” so that students will desire to complete their four year education at our schools. The first semester of the freshman year is viewed as one of the most difficult because of the adjustment problems that take place, both socially as well as academically. Many schools have responded to assimilation and attrition problems by instituting first year University Experience or “Freshman 101” or similar freshman seminars that attempt to acclimatize first-year students to college and the transition from high school in an attempt to improve student satisfaction and performance as well as reduce attrition.

In the early 1990’s, several faculty on our campus began a discussion of how to address the issue of acclimating freshmen to college life. Enrollments were relatively good, and it was felt that this type of experience would strengthen our ability to retain students. This was a multidisciplinary project that was supported by the Provost’s office. Courses were offered in the College of Arts and Sciences as well as the Schools of Business Administration and Music, with most being one hour seminar type courses that were taught on an overload basis by volunteer faculty. In the School of Business, there were several faculty members that participated in the development and implementation of these courses. However, as enrollment dropped a few years later, the School of Business began looking at developing a specific course tailored to our majors. This course we called “Special Topics in Business: How to Succeed in the Business School”, later given the nickname “BN 109”. It was developed with support from both the Dean of the School of Business and a University wide fund established to encourage unique curriculum development. It was initially treated as a special topics course, but over time it was realized that it needed to be institutionalized in the business curriculum. This paper documents how that took place and offers some insights that have gone along with a 15 year history of the course, which may be helpful to other schools contemplating such a program.

## RETENTION ISSUES IN THE UNIVERSITY SETTING

A big factor in the University's initial support of a campus-wide University Experience program, of which BN 109 was a part, was both to ease the transition of freshmen to college life as well as possibly improve retention from freshman year forward. The decision to stay (persist) or leave (non-persist), particularly after the first semester, is a complex one which depends on a number of integration factors.

The development of the BN 109 course was seen as being critical to our retention and student development efforts for business students. Vincent Tinto has been active in studying retention patterns of college students for thirty years or more. It is generally recognized that the first semester of the freshman year is crucial for long term student acclimation, development and satisfaction. In one of his early works, Tinto (1975) identifies integration into academic and social systems as a key variable in the decision to commit to a particular institutional framework and remain until completion, or to withdraw in favor of something else. Students either withdraw or "persist" until a later point where they may choose to remain until completion or withdraw. In Tinto's model, the environment was interactive in that the student brings a given set of personal characteristics (academic training, tastes, values, etc) to the academic and social environments and then is conditioned by the environment itself. The decision to remain or withdraw was seen as being a function of how integrated the student became into the academic and social environments, with the academic environment being relatively more important in determining persistence. This correlates with recommendations typically provided as guides for first year student courses. We believed, based on the research evidence that it would be helpful to not only expose our students to these findings, but have them perform self analysis so that they can begin to ascertain what their own preferences and values really are. In a later work (Tinto (1993)), Tinto listed three **Principles of Effective Retention**:

1. **Institutional Commitment:** Effective retention programs are committed to the students they serve. They put student welfare ahead of other institutional goals.
2. **Educational Commitment:** Effective retention programs are first and foremost committed to the education of all, not just some, of their students.
3. **Social and Intellectual Community:** Effective retention programs are committed to the development of supportive social and educational communities in which all students are integrated as competent members.

This was later codified into five "institutional conditions" for student persistence to take place (Tinto 2002). These are:

1. **Expectations:** Students need clear and high expectations set about academic achievement. If given, they will rise to the occasion in performance and be more satisfied with their experience.
2. **Advising:** Students respond to clear and consistent advice about institutional requirements, choices regarding programs of study, and future career goals.
3. **Support:** Students respond to academic, social, and personal support. The establishment of early ties to peers or faculty members is crucial in this regard.
4. **Involvement:** Students respond positively to settings that make them valued members of the institution. This is measured by frequency of contact with faculty, staff, and other students.
5. **Learning:** The situation has to be one that fosters learning. Students have to see the relevance of what is presented to them and feel that it will be applicable throughout their lives.

Schools have begun over the last several years to realize that retention and student satisfaction requires resource commitments in terms of staff and programs. A recent 2009 College Board National Forum presentation (Hossler and Lucindo, (2009)) presented national survey results from 442 participating universities. Based on two criteria, “an administrator charged with coordinating efforts” and “an administrator acting as a central resource”, 74% of responding schools had a retention coordinator position. Additionally, 63% of responding schools reported having a retention committee. First-year orientation programs were also prevalent, with 76% of respondents reporting that more than 75% of students participated in their entire orientation program. The mean length of such programs was 3.94 days, and almost half of the schools (44%) reported having an orientation program that extended through the first semester of classes. Based on the research evidence, we envisioned a course that would be based around Tinto’s early principles for effective integration, long before his later studies validated our approach. This course has generated greater student involvement, a sense of community, and has prepared students for the business school as well as life beyond college.

### **THE BN 109 COURSE STRUCTURE**

As we considered how to structure our “Business University Experience” course, which we named BN 109, we were driven by some institutional constraints. The business programs in the school are accredited by AACSB (The Association to Advance Collegiate Schools of Business) at the undergraduate and MBA levels as well as undergraduate and graduate levels in accounting. As such, the structure of our curriculum is partially dictated by AACSB standards. The curriculum is similar to most business schools in that it has three main components: the general education core, the business core, and the major core. In terms of sequencing, most of the first year is taken up by general education requirements so that students who declare business as a field of study upon entering the university have little contact with business school professors or course material until the sophomore year. In the second year, they have three courses available: Ethics and Law and the Principles of Accounting 1 and 2 sequence. Statistics and Economics courses are also taken in the second year. Statistics courses are taught by Business School faculty, while the Economics sequence is taught in the College of Arts and Sciences. This leads to many students having to acquaint themselves with different types of material or differing expectations upon arriving in their first upper division business classes as juniors. We also wanted to make the reasons for declaring and staying a business major clear, so students would make a well-informed choice. By teaching BN 109 to freshmen, their expectations are addressed as well as the fact that business course material may require different skills than other disciplines in the liberal arts or music. Another key element in making a successful transition into college is having a “significant other”, which could be a faculty member. By establishing an immediate point of contact with faculty, student co-teachers, and other business students, we established such relationships. In addition, we recognized that there were certain skills that employers were looking for that we needed to both emphasize and develop through our curricular offerings. These thoughts led to a number of objectives for the freshman BN 109 course:

- ◆ Implement teamwork and team building exercises into the course
- ◆ Develop critical thinking skills
- ◆ Develop communication skills, both written and oral
- ◆ Introduce students to both the organizational structure of the business school as well as business as a profession
- ◆ Help students understand their own preferences as well as differences in learning styles and interaction via the use of the Myers-Briggs Type Indicator
- ◆ Using self assessment tools like the Myers-Briggs and other exercises, help students to make well-informed career choices
- ◆ Introduce students to the academic advising process and have them develop a four year course and major plan as freshmen
- ◆ Establish an immediate point of contact with the faculty, staff, and students of the School of Business
- ◆ Study retention patterns to see if retention could be improved by early exposure to the Business School as well as business as an area of study.

Our university provides an extended orientation period for all incoming students. We desired to take that one step further, however, by developing a course to build on that initial step. We provide an environment where students can “bond” with both peers as well as faculty members. Finding a “significant other” (mentor, good friend, roommate, etc.) is critical to integration into the social and educational communities and so the self-assessment process allows the students to identify preferences and also to look for others of a like nature. The structure of the course has a large self-assessment component, which helps the students to both identify their own preferences and apply their preferences to larger group relationship issues. The objective is to help them integrate socially and academically as quickly and completely as possible, hopefully (following Tinto’s model) leading to greater persistence (retention) of first year students. We designed the course to blend self-assessment with specific skill development to integrate them as fully as possible into both social and business education realms.

## **THE SELF-ASSESSMENT FOUNDATION**

One of the first components of the course is the administration of the Myers-Briggs Type Indicator (MBTI) as a means of self-assessment on the part of the students. This serves as a foundation building exercise which allows us to utilize this in discussions about learning styles, roommate conflicts, difference of opinion with instructors as well as their own personality type. Two supplemental resources are useful here: *Introduction to Type in College* and *Introduction to Type and Careers*, published by Consulting Psychologists Press (see the MBTI reference list at the end of the paper). Our hope was that the MBTI would be administered to all sections on the first day or so of class. Self-scorable copies are used which allow the students to take the MBTI out of class and concentrate on their responses. Some time is taken prior to the test to describe its properties as well as how it is scored so that students have some idea of what is being measured. This was utilized based on the multi-disciplinary nature of the course development team. The initial course development was done collaboratively by members of the management, marketing, finance, and business law teaching areas. Three of the four faculty members were certified to administer and interpret the MBTI results, and so much of that expertise was integrated into the exercises developed. The MBTI was chosen because of the wide breadth of support materials available for it, its wide acceptance, and its common use by businesses as an assessment device.

The MBTI is based on Jungian psychological theory and the typology is based on a four-part framework. The four dichotomies are: Preferred Interpersonal Response (Talk It Out versus Think), which is the Extravert/Introvert (E/I) Dimension; Preferred Focus of Information (Specifics versus the “Big Picture”), which is the Sensing/Intuition (S/N) Dimension; Preferred Reason For Action (Logical Implications versus Impact on People), which is the Thinking/Feeling (T/F) Dimension; and Preferred Approach to Problem Solving (Closure versus Process), which is the Judging/Perceiving (J/P) Dimension (Brock (1995)). The use of the MBTI in the classroom assessment process has been examined in the past (Baudouin and Uhl (1998)). Tinto’s research identified five factors that were significant in the first year experience: initial commitment, academic integration, social integration, subsequent commitment, and persistence. Baudouin and Uhl applied Tinto’s factors in five ways: (1) peer group interactions; (2) interactions with faculty; (3) faculty concern with development and teaching; (4) academic and intellectual development; and (5) institutional and goal commitments. Questions in each heading were evaluated on a numerical scale and then the results were analyzed on the basis of MBTI type at the beginning and end of the freshman year for a required class for entering freshmen. The BN 109 course was originally developed on the basis of helping students assimilate and develop in these five areas and hopefully ease their transition to the world of a college business student. We considered the MBTI to be a valuable tool in this regard.

There are also other self- assessment exercises utilized besides the MBTI. Students do a values-ranking exercise, which implicitly defines values in terms of things like financial gain and the value of time. This is utilized for broader discussions about career choices and other personal well-being decisions such as career-family conflicts. The students also do exercises in time management, working with the Academic Support Office to improve their time management and study habits. The students also prepare a resume and research a company, which familiarizes them with campus resources such as Career Services. We also utilize the Counseling Center and Student Health

Services to facilitate discussions about lifestyle choices and their impact on personal well being as well as academic performance. Students also prepare a draft four-year plan, which they take to their advising sessions. The advising process is also covered in great detail, so that problems are minimized down the road. The College Board study also flagged academic advising as a major determinant of retention, as well as being one of Tinto's points of institutional emphasis. Research universities tended to use professional advisors more often than faculty, but a significant percentage used full time faculty in advising to help students assimilate academically. The BN 109 instructors serve as informal advisors and then route the students to their full time advisors as the advising process begins around mid semester. Our university also utilizes mid-term academic deficiency reports, and the BN 109 course serves as a forum to help direct students toward the Academic Support Office, the Counseling Center, or their instructors to improve any deficiencies that may develop.

The overall objective with these exercises is to help the students to critically analyze themselves and form goals and objectives as well as a strategic plan for their business school education. As Tinto noted, integration is the key variable in terms of retention and performance. His later research also stated the value of high expectations, clear advising, and goal formation in terms of both student satisfaction and persistence. The BN 109 course provides a foundation for integration to take place.

### **THE CRITICAL SKILL DEVELOPMENT FOUNDATION**

Another objective in the course is the development of critical thinking and communication skills. Businesses increasingly depend on workers who can communicate effectively in both written and oral form, as well as with technology such as PowerPoint and web development software. In addition, successful completion of college coursework depends on the student's ability to read, comprehend, and effectively communicate material. To address these needs, we employ case briefing of legal cases as a methodology. Students are required to brief cases that involve functional areas in business: marketing, finance, management, accounting, and business ethics. The students brief the cases with the major focus being on the ability to precisely distill and communicate a set of facts and frame the relevant issues involved in the case. They are given a format sheet to follow in the beginning of the course and they are limited to a one page written brief, which must effectively communicate the arguments in the case. This is followed by in-class discussion, which develops the ability to compare and contrast hypotheticals, prioritize facts, and construct logical arguments. The brief format also gives the instructors an opportunity to correct shortcomings in writing capabilities, such as grammar and spelling.

The cases were chosen because they involve current issues in business litigation and so address current business topics. These include sexual harassment (management), the sale of fraudulently labeled food products (marketing), a "Ponzi" scheme (finance), accounting fraud, and product liability. A listing of the cases used is available from the authors. Thus, in addition to developing critical thinking skills, the students are exposed to discussions about business decision making at the same time. These discussions also involve ethical considerations and so the cases are also analyzed for their ethics content. Once again, this also follows AACSB guidelines as far as ethics being an integral part of the curriculum.

Team building exercises are also built into the curriculum as a representation of activities required in other business classes as well as business employment. Three significant activities are used: a "ropes course" and two group projects. The ropes course is administered at a local YMCA camp about ten miles or so from campus. The same facility is routinely employed by area executives from places like Disney to provide executives with exercises in team building as well as individual trust. Students spend approximately four hours in a series of exercises that force them to operate as teams, as well as confronting individual fears. The morning is spent on the ground in team exercises involving group dynamics and effective communication, some involving equipment in the woods. The teams are scrambled to include diversity in terms of gender, class section, and MBTI type so that they are forced into unfamiliar settings. All sections of BN 109 participate, which usually involves over a hundred students. After each exercise, time is allocated to discuss the success or failure of the group to achieve desired objectives as well as

to identify ways in which the group may have performed better. In student evaluations administered at the end of each semester, this is the highest rated exercise and viewed as a real strength of the course. This involves some cost, but the Dean of the School of Business felt so strongly (and still does) about this that he funds it out of his discretionary account.

Other significant exercises used are group projects. Originally, we had all sections do group video projects in teams. In the project, students are required to produce a short (15 minute) video presentation on how to succeed in the business school. Groups have been assigned or students have been allowed to choose their own. Similar to the ropes course, attempts are made to facilitate gender as well as MBTI diversity in the groups. Generally, the groups are no more than five students each. Groups within each course section compete against one another and are ranked by both professor and peer evaluations at the end of the semester. As the course evolved and the number of participating faculty increased, other projects have been tried. This led to the adoption of a group volunteer project. Students have done things like clean up parks and public places, worked in animal shelters, organized food drives, and held Halloween parties for underprivileged youth in an area center. This service learning component is also seen as connecting them to each other and the community, as well as reinforcing behaviors that are common in the business community. Once again, the projects rank highly in student evaluations at the end of the semester. Again, this follows Tinto's Principle #1 of Effective Retention and has been instrumental in the acceptance of the course as well as its effectiveness.

Reinforcement of critical thinking and teamwork is provided by external sources, as well. In each semester prominent business executives from the Central Florida area come in and speak to the classes from their own experiences. Past examples have been Disney executives, the director of Legal services for Universal Studios, the publisher of the Orlando Sentinel, the former CEO of the Publix supermarket chain, and the president of a large Florida bank, who is now currently the Chief Financial Officer of the state of Florida. These executives share from their own experiences as well as reinforce the skills that we emphasize in the class. Students also enjoy the opportunity to learn from these successful people as well as network with them for the future.

### **THE DISCIPLINARY COMPONENT OF BN 109**

The self assessment component of the course is generally done in the first third of each semester. After that point, the students are gradually transitioned into specific disciplinary material. The legal cases are chosen to fit into a discussion of the main functional areas of business, such as management, marketing, finance, accounting, and business law. We utilize an introduction to business text that was developed for the community college market, so it is written at a level sufficiently high enough to reinforce concepts without assuming too much on the part of the students. Students are given several examinations on this material to complement classroom discussion of the material. In some sections, the examinations are take-home and are used to both test competency but reinforce the terms and conditions of the university's Student Honor Code. This gives students another point of connection into the university culture as well as a sense of personal empowerment, another point of emphasis for retention purposes.

### **THE 'CONNECTION' FACTOR**

We also employ some other unique aspects in the course to increase student and peer bonding. We utilize student co-teachers in the course. They help with some grading, handle some classes, assist with class, and provide a peer that students can discuss sensitive issues with that they might feel uncomfortable discussing with a faculty member. We pay them minimum wage for 5 hours a week, and the students like to be a part of the class. Many of them are former alumni that have applied for the co-teacher positions.

### **LONG TERM COURSE ISSUES**

In the fifteen-year period that the course has run, there have been several issues that have arisen that we have had to



deal with. In practical terms, it was agreed early on that it would be taught in the Fall for entering freshmen. Each department must staff one section. This has led to a core group of faculty delivering the course for most semesters. On a long-term basis, this works well except for things like sabbaticals or simple fatigue. Initially there were four principal faculty members that developed the course “blueprint” and we generally used a common text and course outline. This helped in management and data collection terms as everybody used the MBTI. Over time, as faculty rotated in and out, some faculty felt constrained by our choices and modified the course to fit their preferences. This was good for them, but we lost some tracking continuity as a result.

The course has changed over time from a pure elective to a “required elective” to a core business requirement. This has presented a few challenges that we have found ways to overcome. Since students can only take the course if they are in the first semester of their freshmen year, transfers do not take the course. Students who transfer into the business school from other colleges or schools also do not take it. Operationally, we simply waive that requirement for those students. From a standpoint of the material, however, they are at a disadvantage relative to incoming freshmen business students. The faculty load issue is also significant. By design, we require each department to staff one section. This sometimes creates difficulties with sabbaticals or faculty simply not being desirous of teaching freshmen. The College Board study found that at a majority of schools that completed the survey, incentives for faculty to teach first year classes were minimal. In asking this question, 78% of respondents reported that “incentives for full time faculty to teach first-year classes were **nonexistent or small**” (the authors’ emphasis). Teaching first year students is often challenging but establishes relationships that we have shown increase contact with significant people and keep freshmen engaged with business even though they are taking general education coursework in other colleges or schools.

## CONCLUSION

For the BN 109 course, we have designed a course that addresses a number of objectives: teamwork, critical thinking, and overall familiarity with the business school and business environment. Based on student feedback, the course is both successful and popular for freshmen. As far as effectiveness goes, the results are still preliminary. We have further work to do to identify non-academic reasons for people leaving, but the preliminary results point to BN 109 as being successful in meeting the objectives we set for it.

## REFERENCES

- Baudouin, Robert and Norman Uhl. “The Relationship Between Jungian Type, Academic and Social Integration, and Persistence During the Freshman Year”. *Journal of Psychological Type*, 1998, V. 45, pp 29-35.
- DeMoss, Michelle, McCann, Gregory, and Lawrence J. Belcher. “Integrating Type into a First Year University Experience Business Course”. Conference *Proceedings*, Creating Collaborative Learning Communities: The Role of Type in Education. March, 2000, Gainesville, FL
- Hossler, Don and Jerome A. Lucido. “Methods and Models for Promoting Student Persistence: The Emerging National Picture”. 2009, Presented at the College Board National Forum
- Lorange, Peter. “Back to School: Executive Education in the U.S.” *Chief Executive*, March 1998, Volume 92, pp 36-39.
- McGrath, Michael and Andrew Brauenstein. “The Prediction of Freshmen Attrition: An Examination of the Importance of Certain Demographic, Academic, Financial, and Social Factors”. *College Student Journal*, September 1997, pp 396-408.
- Tinto, V. “Dropout From Higher Education: A Theoretical Synthesis of Recent Research”. *Review of Educational Research*, 1975, V. 45, pp 89-126.
- Tinto, V. *Leaving College: Rethinking the Causes and Cures of Student Attrition*, 1993.
- Tinto, V. “Enhancing Student Persistence: Connecting the Dots”. Presented at *Optimizing the Nation’s Investment: Persistence and Success in Postsecondary Education*, October 23-25, 2002. A conference sponsored by the Wisconsin Center for the Advancement of Postsecondary Education, University of Wisconsin Madison, Madison, WI

## MBTI RESOURCES

- Brock, Susan A. *The Four Part Framework*. Gainesville, FL: Center for Applications of Psychological Type, Inc. 1995.
- DiTiberio, J. K. and A. L. Hammer. *Introduction to Type in College*. Palo Alto, CA: Consulting Psychologists Press 1993.
- Hammer, A. L. *Introduction to Type and Careers*. Palo Alto, CA: Consulting Psychologists Press 1993.
- Myers, I. B. *Introduction To Type: A Guide to Understanding Your Results on the Myers-Briggs Type Indicator* (5<sup>th</sup> Ed.). Palo Alto, CA: Consulting Psychologists Press 1993.
- Hirsh, S.K. and Kummerow, J.M. *Introduction to Type in Organizations* (2<sup>nd</sup> Ed.). Palo Alto, CA: Consulting Psychologists Press, 1990

**Dr. Larry Belcher** is Professor and Chair of Finance and Director of the George Investments Institute at Stetson University in DeLand, Florida. He primarily teaches financial economics to both graduate and undergraduate students, but has also been involved in several curriculum development projects at Stetson, including the freshman university experience course. His collegiate teaching career began in 1981.

# ENRICHING BUSINESS STUDENTS' FIRST YEAR EXPERIENCE: A UNIQUE APPROACH

Sheri L. Erickson, Minnesota State University Moorhead, Moorhead, MN, USA

Mary F. Stone, Minnesota State University Moorhead, Moorhead, MN, USA

Marsha Weber, Minnesota State University Moorhead, Moorhead, MN USA

## ABSTRACT

This paper describes a Freshman Year Experience (FYE) course offered to business students during their first year of college that provides them with the opportunity to interact with professors and professionals in their intended field of study and to integrate them into the university and into their major very early in their experience. This course is part of a three-pronged sequence designed to help students with the transition to university life and to provide them with skills they need to succeed in college. The desired outcomes of offering these courses are to improve university and business school retention rates and to provide students with the skills they need to be productive and successful students. Surveys were administered to determine student perceptions of the Business FYE course, the School of Business, and the University. Survey results and interviews with course instructors were used to develop suggestions for future FYE courses.

**Keywords:** Freshman Year Experience course, student retention, college transition.

## INTRODUCTION

Student retention and appropriate academic preparation of graduates are two areas of concern for many universities. This is true of most colleges and departments within the university, including schools of business. Because of the increasing options for obtaining a college degree available to potential students; especially the number of online degree programs, universities are focusing attention on the issue of student retention. Student attrition is costly for both the university and the student. Universities lose not only tuition dollars, but also the time and energy invested in recruiting, teaching, counseling, housing, and record keeping for the students. Students lose not only their immediate out of pocket expenses, but also future earnings potential as well as psychological health (Mangum, Baugher, Winch, and Varanelli, 2005).

The purpose of this paper is to describe a Freshman Year Experience course offered to business students during their first year of college that provides them with the opportunity to interact with professors and professionals in their intended field of study and to integrate them into the university and into their major very early in their experience. This course is part of a three-pronged sequence designed to help students with the transition to university life and to provide them with skills they need to succeed in college. The desired outcomes of offering these courses are to improve university and business school retention rates and to provide students with the skills they need to be productive and successful students.

## PREVIOUS RESEARCH

Much has been written regarding student retention and the factors that influence retention. More than one-half of students who drop out of college do so in their first year (Cox, Schmitt, Bobrowski, and Graham, 2005). Several variables have been linked to retention, including high school GPA (Cox, et al, 2005; Murtaugh, Burns, and Schuster; and DeBernard, Spielmans, and Julka, 2004), first semester college GPA (Mangum, et al, 1999), financial resources (Cox, et al, 2005; Mangum, et al. 1999), residency (Murtaugh, et al, 1999), age of student (Murtaugh, et al, 1999), unmet expectations (Braxton, Vesper, and Hossler, 1995), and enrollment in a First Year Experience (FYE) course (Cox, et al, 2005; Murtaugh, et al, 1999).

Adequately preparing students for employment in the business world is another vital issue for schools of business. Common complaints from businesspeople regarding graduates' skills include poor oral and written communication (Mark, 2008), intolerance for ambiguity and an inability to bring order out of confusion, poor critical thinking skills, and inadequate global awareness (Chonko and Roberts, 1996). FYE courses have been a vehicle used to address these academic shortfalls in schools of business (Lamb, Lee, and Vinton, 1997; Chonko and Roberts, 1996; Crutchfield and Eveland, 2008).

Models to explain the value of a First Year Experience course in improving retention fall into two main camps (Ryan and Glenn, 2004). First, based on Tinto's (1975) interactionist model, an FYE course increases a student's feeling of academic and social integration into the university, thus increasing his or her commitment to the university, leading to an increase in retention. The second explanation for FYE's positive effect on retention is that the freshman year experience course increases a student's set of skills and strategies to academically succeed, and therefore improves student performance and improves college GPA, and increases retention. Ryan and Glenn (2004) find that one year retention rates are higher for students in a strategy-based FYE course than in either a no seminar group, or in a socialization-focused group (similar to Tinto's model). Many of the FYE courses described in the literature have attempted to address both frameworks. Courses often include discussions, reading assignments, and guest speakers which address both the strategies needed for academic success, and the needed information to socialize and integrate the new students into the university. This dual purpose is often seen both in freshmen seminars that are offered at the university wide level, and in seminars offered within specific colleges and schools, including schools of business.

Cox, et al (2005) identify four factors that are important in the promotion of academic success and retention. These are: 1) early and frequent interaction with faculty, staff, and peers; 2) clearly communicated academic expectations and requirements; 3) learning opportunities that increase involvement with other students; and 4) academic, social, and personal support. All of these are important components of a freshman year experience course aimed at business students. Other universities have utilized a Business FYE course and these courses have been implemented as a way to encourage interactions between freshmen business majors and business school faculty and future employers early in the student's academic career (Crutchfield and Eveland, 2008; Chonko and Robert, 1996; and Lamb, et al, 1997). Crutchfield and Eveland (2008) collected survey data from students to assess the effects of their early intervention. Their data indicate that for those students in the Business FYE course, their level of perceived connectedness to professors is a significant predictor of students' intent to stay in the business school.

## **FRESHMAN YEAR EXPERIENCE COURSE**

A medium-sized Midwestern university (the University) has addressed issues of retention and academic success by implementing a three-pronged Freshman Year Experience (FYE) sequence. The University's approach to increasing student retention began a decade ago with the introduction of a one credit, First Year Experience (FYE) course for incoming freshman. This course has evolved somewhat over the years and now includes topics concerning time management; goal setting; self-awareness; note-taking, writing, listening, memory, and test-taking skills; stress management; career development; advising and course registration; study abroad and other expanded learning opportunities; diversity issues; critical thinking; relating to others; and personal responsibility. Two years ago, the University also developed a required, one credit, online alcohol awareness course called Alcohol and College Life that provides students with unbiased factual information about how alcohol and drug use affect college life.

As a result of the University's participation in The Foundations of Excellence® in The First College Year, a recommendation was made that the University implement a plan whereby a First Year Experience course is required of all students. This project is a comprehensive, guided self-study and improvement process for the first year that will allow the university to identify institutional strengths and needs for improvement related to the first year of undergraduate education. As a result of the recommendations of the Foundations of Excellence study, the School of Business was asked to develop and implement an additional one credit course for those incoming freshmen who

indicated they were interested in majoring in a business discipline. The University's intent is to further increase student retention and the School of Business was the first department on campus asked to pilot such a course. Since the Association to Advance Collegiate Schools of Business (AACSB) also has a focus on student retention, an FYE course specifically designed for business students fits in well with the School of Business' mission.

The general FYE, business FYE, and alcohol awareness courses are designed to be taken in the same semester. Whereas the general FYE course includes topics applicable to all college freshmen, the School of Business FYE course is designed to apply to issues and concerns applicable to business majors. Business majors do not take any courses in their major until their sophomore year, so the topics included in the course are intended to help business majors connect with the School of Business during their freshman year. Undeclared majors are also encouraged to enroll in the Business FYE course, so the course can be used to recruit students who are undecided about their choice of major. The three-course sequence is designed and organized to address both the students' socialization and integration needs and their needs to develop strategies and skills for academic success. In addition to these proactive steps to address the retention issue, the School of Business FYE course is designed to meet the requirements to matriculate students who are prepared to possess the communication, decision making, and global awareness capacities needed in today's business world.

The School of Business Curriculum Committee was given the responsibility of developing the Business FYE course. Committee members gathered course descriptions and syllabus materials from several institutions where such a course is taught. The Curriculum Committee and the Dean's Advisory Board, made up of members of the local and regional business communities, determined that the Business FYE course should focus on the following topics and issues: student retention, a connection to the School of Business in the first year, a means of networking with fellow business students and businesses in the community, a means of easing transition to college, and a realistic view of business school expectations. The committee researched similar courses provided at other schools and decided on a course that included topics applicable to School of Business students that were not discussed in the general FYE course. One course objective includes developing a degree plan to encourage students to plan ahead and become familiar with university resources, including meeting with the advisor they will have for the first two years of their program. The purpose of the degree plan is to help each student organize his/her academic plan on a semester by semester basis. Students are also exposed to information about business internships, study abroad opportunities for business students, and student business organizations at the university and national levels. A local employment firm provides information on what employers are looking for in employees and a session is devoted to business ethical issues. The committee recommended that the course be taught by an adjunct faculty member, but to ensure continuity, one full-time faculty member is the course coordinator and is in charge of developing the course syllabus and contacting speakers.

Many incoming freshman know little about the specific educational differences and career opportunities provided by different business majors, so a key course objective is to provide basic educational information supplemented by business faculty and local business leaders who discuss their education and their careers. The course meets for one 50-minute session each week and six sessions are used to cover the academic disciplines of accounting, finance, marketing, management, international business, and entrepreneurship. Many of the speakers are university alumni who introduce students to local and regional career opportunities and explain specifics about how their business education applies to their professional lives. Some of these sessions also include School of Business faculty members, further stressing the connection between the various academic disciplines and career opportunities.

The Business FYE course is graded on a combination of attendance, completion of the degree plan, ten one-page papers, and a paper discussing an interview with a business faculty member or professional in a major the student is interested in pursuing. The papers have a dual purpose: 1) to identify those students who need help with their writing skills and 2) to introduce students to numerous websites that provide information about different academic fields and their respective career opportunities. Those flagged as needing help with writing are referred to a university writing center that provides such help.

The last class session is devoted to a class discussion about additional questions or concerns that were not addressed during the semester. In addition, students complete a survey about the course and about their perceptions of the University and the School of Business. The course coordinator then meets with the faculty teaching the course and discusses possible changes to the format for the following semester.

## RESEARCH DESIGN AND RESULTS

We collected data from five sections of FYE (a total of 67 students)<sup>4</sup> at both the beginning and the end of the term. In the second week of class, an open-ended questionnaire was distributed to each student (Part C of the questionnaire). (See the Appendix for a copy of the questionnaire). The questionnaire responses were coded by one author into themes. All responses were reviewed by the other researchers and any discrepancies between the researchers were discussed and an agreement was reached. The questionnaire posed questions such as “What has been the biggest surprise to you at school,” “What are your biggest concerns so far,” “What do you find encouraging,” “Are you glad you chose this University,” and “Do you feel as though you are a part of the University community”?

During the last week of class, we distributed an identical questionnaire with open-ended questions (Section C) along with two Likert-scale surveys (Sections A and B). We also collected demographic information such as intended major, number of credits taken, high school rank or GPA, whether English was their first language, and whether or not the student lived on campus. As with the first questionnaire, the open-ended responses were coded into emergent themes and all researchers agreed on the classification of the entire population of responses.

The two surveys asked questions aimed at determining whether FYE provided benefits by asking students to rate whether the course helped with time management, the students’ ability to meet new people and connect with faculty, whether it provided information to enhance an understanding of business, and if the course encouraged student collaboration. In addition, the students were asked whether they planned to return to the university and whether they would recommend the business school to other prospective students.

Table 1 below contains results of the beginning and ending qualitative portion of the survey (Section C) that we consider significant in terms of expected or unexpected responses as well as for purposes of planning for future course offerings. Student responses indicate they were most surprised by the amount of independence they experience at the university. The themes associated with students’ biggest concerns with college life are basically the same at the end of the semester versus the beginning of the semester, but some of the anxiety concerning grades (failing), time management, and friends seemed to diminish over the semester. Students cite the faculty and staff as well as the opportunity to meet new people as positive aspects of their experience. These are positive indicators of retention and future success (Crutchfield and Eveland, 2008). A large percentage of students indicated they are glad they chose the university and they felt part of the university community at the beginning and at the end of the semester. This feeling of integration increases student commitment to the university and improves retention rates (Tinto, 1975).

Data from the Likert Scales were gathered in order to assess several predictors of retention, as discussed in the literature. The variables measure social connection with peers and faculty, knowledge about the School of Business and business careers, knowledge about University resources, acquisition of study skills, and stated intent to return. Table 2 below contains results of the end-of-course quantitative (Likert scale) survey results for both parts A and B of the survey (Survey in Appendix). The mean and standard deviation were calculated for the 20 questions in the survey. The columns marked +/- indicate responses we view as positive and successful results of the course (+) or items on which responses were not as positive as we expected and on which we should focus in future course offerings (-).

---

<sup>4</sup> These data were collected when the course was offered for the first time as a pilot course, therefore the number of students was low because it was not required. Eventually, the course will be required of all incoming freshman and transfer students and we anticipate approximately 125-150 students in five or six sections.

Questions 5 and 6 of Part A relate to student social integration and a feeling of connectedness to the University. The means of student responses to these items are quite high, indicating students feel well-accepted at the University, which is a factor in increased retention rates. Part A, question 7 asks students if they plan to return to the University for the next year, and an average response of 6 out of 7 is a very high. An analysis of frequency of responses for this question shows that the number of students who indicated a significant intent to return next year (rating of 6 or 7) was 51 of 67. Only four students responded with a 1 or 2 on this item. Question 10, the degree to which students would recommend the University to others, also indicates a high level of student satisfaction with the University; 61 of 67 students responded with a rating of 5, 6, or 7 to this survey item.

Part B of the survey is more specific to the School of Business and how students relate to the FYE course. Positive responses to questions 3 and 4 indicate that students feel they have an understanding of the business program and of the nature of business. Responses to questions 8 and 9 suggest that a high percentage of students intend to stay in the School of Business and to finish their degree at the University. These are positive retention indicators. However, average responses to items 1 and 2 indicate that students feel a certain degree of connection to other students and to their professors, but these averages are lower than expected given the focus on exposing students to professors in their discipline of study and the interactive nature of the course. Average scores for items 5 and 6 are also somewhat lower than we expected given the nature of the FYE course. Though students feel they have adjusted relatively well to college life and have the tools to succeed academically, improvement can be made in this area. An analysis of frequency of responses for question 5 indicates that 20 of 67 students responded with a 1, 2, or 3 which indicates a level of disagreement with the statement that they have adjusted well to college life.

**Table 1: Summary of Open-end Question Responses**

<b>Question:</b>	<b>Beginning of Semester</b>		<b>End of Semester</b>	
<b>Most surprising aspect of college life?</b>	Independence (amount of free time)	12	Independence/free time	16
	Difficulty of coursework	12	Need for time management	6
<b>Biggest concerns with college life?</b>	Not getting homework done	26	Fear of failing courses/Grades	16
	Fear of failing courses /Grades	26	Not getting homework done	14
	Time management	18	Final exams	13
	Friends/roommates	17	Time management	6
			Friends/roommates	10
<b>Best aspects of college life?</b>	Nice faculty/staff	41	Nice faculty/staff	46
	Good friends/meet new people	19	Good friends/meet new people	28
	Availability of activities	13	Availability of activities	16
	Independence/freedom	11	Independence/freedom	10
	Small classes	11		
<b>Are you glad you chose the university?</b>	Yes	63	Yes	61
	No	3	No	0
	Not sure	1	Not sure	6
<b>Do you feel part of the university community?</b>	Yes	47	Yes	47
	No	10	No	8
	Kind of	9	Kind of	13

## SUMMARY AND FUTURE RESEARCH

This paper describes a unique, three-pronged Freshman Year Experience sequence of courses designed to help students with the transition to university life and to provide them with skills they need to succeed in college. The

focus of this paper is the Business FYE course, which was offered for the first time during fall semester of 2008 and students were surveyed twice to determine their level of satisfaction with their university experience so far, their degree of integration into college life, and their intentions concerning continuing their college education.

Survey results indicate there are two areas in particular that need improvement. Students do not feel as connected to other students nor to faculty as we would have hoped. Ideas for increasing a sense of connectedness with other students could include a group project requirement – in effect forcing the students to interact outside of class. Other possibilities could include social get-togethers outside of class or a course requirement to join at least one campus organization.

Although business professors were involved in the course, it appears we need to have more interaction between the business professors and freshman business students. This is difficult because students do not take business courses until their sophomore year. In addition to having more professors take part in class activities, perhaps some social events with students and faculty could be arranged.

Future research includes collecting survey data in future years to assess if the changes made have improved the course. In addition, we will track this group of students through their college years to measure attrition.

**Table 2: Results of End-of Course Survey (Survey Questions are in the Appendix)**

<b>Section A: Questions</b> <b>Scale: 1=not at all, 4=somewhat, 7=significantly</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>+/-*</b>
1. Course increased degree of completing homework on time	3.88	1.78	
2. Course improved priority-setting abilities.	4.12	1.55	
3. Course improved ability to meet new people.	3.74	1.62	
4. Course provided encouragement for students to work together.	3.90	1.34	
5. Degree of acceptance at this university.	5.65	1.03	+
6. Ease of making new friends at this university.	5.26	1.14	+
7. Plan to return to this university next year.	6.01	1.52	+
8. Plan to transfer to another college/university next year.	2.09	1.71	
9. Plan to not enroll in any college/university next year.	1.06	0.38	
10. Would recommend this university to a friend.	5.75	1.04	+
<b>Section B: Questions</b> <b>Scale: 1=strongly agree, 7=strongly disagree</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>+/-</b>
1. Course helped me develop connections with students.	4.13	1.37	-
2. Course helped me develop connections with professors.	4.22	1.30	-
3. Course helped me understand the business program.	5.69	1.14	+
4. Course helped me develop a general knowledge of business.	5.74	0.99	+
5. Course helped me adjust to college life.	4.09	1.54	-
6. Course provided resources to improve academic success.	4.43	1.33	-
7. I am satisfied with business FYE.	4.63	1.55	
8. I intend to complete my degree at this university.	5.76	1.58	+
9. I intend to stay in the School of Business at this university.	5.26	2.00	+
10. I like the curriculum better than other business school curricula.	4.48	1.29	

\*+/- indicates responses we view as positive and successful results of the course (+) or items on which responses were not as positive as we expected and on which we should focus in future course offerings (-).



## REFERENCES

- Braxton, J., N. Vesper, and D. Hossler, "Expectations for College and Student Persistence." *Research in Higher Education*. 1995. V. 36, No 5, pp. 595-612.
- Chonko, L. and J. Roberts, "An Innovative Introduction to Business Course: Marketing the Skills that Marketing Majors (and Others) As Business Majors will need for Success." *Marketing Education Review*. Fall 1996. V. 6, No. 3, pp. 53-71.
- Cox, P., E. Schmitt, P. Bobrowski, and G. Graham, "Enhancing the First-Year Experience for Business Students: Student Retention and Academic Success." *Journal of Behavioral and Applied Management*. September 2005. V. 7, No. 1, pp. 40-68.
- Crutchfield, T. and V. Eveland, "Rethinking the First Year For and Increasing Retention of Business School Students." *Journal of the Academy of Business Education*. Summer 2008. pp. 1-16.
- DeBernard, M., G. Spielmans, and D. Julka, "Predictors of Academic Achievement and Retention among College Freshmen: A Longitudinal Study." *College Student Journal*. March 2004. V. 38, No. 1, pp. 66-80.
- Lamb, C., J. Lee, and K. Vinton., "Developing a Freshman Seminar: Challenges and Opportunities." *Journal of Management Education*. February 1997. V. 21, No 1, pp. 27-43.
- Mangum, W., D. Baugher, J. Winch, and A. Varanelli, "Longitudinal Study of Student Dropout from a Business School." *Journal of Education for Business*. March/April 2005, pp. 218-221.
- Mark, P., "Redefining Business Communication Courses to Enhance Student Employability." *Business Quest*. 2008.
- Murtaugh, P., L. Burns, and J. Schuster, "Predicting the Retention of University Students." *Research in Higher Education*. 1999. V. 40, No. 3, pp. 355-371.
- Ryan, M. and P. Glenn, "What Do First Year Students Need Most: Learning Strategies Instruction or Academic Socialization?" *Journal of College Reading and Learning*. Spring 2004. V. 34, No. 2, pp. 4-28.
- Tinto, V., "Dropout from Higher Education: A Theoretical Synthesis of Recent Research." *Review of Educational Research*, Winter 1975, V. 45, No 1, pp. 89-125.

**Sheri Erickson**, Ph.D., CPA, is Associate Professor, School of Business, Minnesota State University Moorhead. She teaches financial and managerial accounting and her research interests include student retention and perception of the accounting profession, organizational crisis communication, and legitimacy theory.

**Mary Stone**, Ph.D. is Assistant Professor of Accounting, School of Business, Minnesota State University Moorhead. She teaches financial and managerial accounting and her research interests include student retention, pedagogy issues, and organizational crisis communication.

**Marsha Weber**, Ph.D. is a Professor of Finance, School of Business, Minnesota State University Moorhead. She teaches corporate finance and bank management and her research interests include student retention, organizational crisis communications, and bank policy decisions.

**APPENDIX: END OF SEMESTER SURVEY FOR BUSINESS FYE**

Please answer the following questions regarding the Business FYE course.

Name: \_\_\_\_\_ ID: \_\_\_\_\_

**Section A:** Please circle your response to the first 10 questions using the following scale:

**1=not at all, 4=somewhat, 7=significantly**

1. Taking this class increased the degree to which I completed homework assignments on time.  
1      2      3      4      5      6      7
2. Taking this class improved the degree to which I set my priorities so I can accomplish what is most important to me.  
1      2      3      4      5      6      7
3. Taking this class improved my ability to meet new people.  
1      2      3      4      5      6      7
4. To what degree did this course include encouragement for students to work together?  
1      2      3      4      5      6      7
5. To what degree are you accepted by students at this university?  
1      2      3      4      5      6      7
6. To what degree is it easy for you to make new friends at this university?  
1      2      3      4      5      6      7
7. For the next academic year to what degree do you plan to return to this university?  
1      2      3      4      5      6      7
8. For the next academic year, to what degree do you plan to transfer to another college/university?  
1      2      3      4      5      6      7
9. For the next academic year to what degree do you plan NOT to enroll in any college/university?  
1      2      3      4      5      6      7
10. To what degree would you recommend this university to a friend?  
1      2      3      4      5      6      7

**Section B:** Please circle your response to the following 10 questions using the following scale:

**1=strongly disagree, 7=strongly agree.**

Business FYE has helped me to:

- |   | <u>Strongly<br/>Disagree</u> |   |   |   |   |   |   | <u>Strongly<br/>Agree</u> |
|---|------------------------------|---|---|---|---|---|---|---------------------------|
| 1. Develop connections with other students    | 1                            | 2 | 3 | 4 | 5 | 6 | 7 |                           |
| 2. Develop connections with professors        | 1                            | 2 | 3 | 4 | 5 | 6 | 7 |                           |
| 3. Understand the business program            | 1                            | 2 | 3 | 4 | 5 | 6 | 7 |                           |
| 4. Develop a general knowledge of business    | 1                            | 2 | 3 | 4 | 5 | 6 | 7 |                           |
| 5. Adjust to college life                     | 1                            | 2 | 3 | 4 | 5 | 6 | 7 |                           |
| 6. Have resources to improve academic success | 1                            | 2 | 3 | 4 | 5 | 6 | 7 |                           |

**Please rate your level of agreement with the following statements:**

7. Overall, I have been satisfied with business FYE	1	2	3	4	5	6	7
8. I intend to complete my degree at the University	1	2	3	4	5	6	7
9. I intend to stay in the School of Business at the University	1	2	3	4	5	6	7
10. I like the curriculum better than other business school's	1	2	3	4	5	6	7

**Section C:** Please answer the following questions:

1. What has been the most surprising aspect of college life and why?
2. What are the three biggest concerns, worries, or frustrations you currently have with college life at the University?
3. List and describe three (or so) aspects of college life that make you happy and/or that give you encouragement?
4. Are you glad you chose to attend the University? Why or why not?
5. Do you feel you are a part of the University community? Why or why not? If not, what would you feel more welcome?
6. Is there any information that you would like to receive that has not yet been available to you? Please be specific.
7. ACT or SAT average score: \_\_\_\_\_
8. High school GPA or class rank? \_\_\_\_\_
9. Gender? \_\_\_\_\_
10. Is English your primary language? \_\_\_\_\_
11. Hours worked at job? \_\_\_\_\_
12. Number of credits taken this semester: \_\_\_\_\_
13. Have you withdrawn from a course this semester? (yes or no) \_\_\_\_\_
14. Do you live on campus? \_\_\_\_\_
15. Do you commute to school? \_\_\_\_\_ If so, how many miles round trip? \_\_\_\_\_
16. What was your major at the beginning of the semester? (Circle your response.)
  - a. Accounting.
  - b. Finance.
  - c. Business Administration, Management.
  - d. Business Administration, Marketing.
  - e. Business Administration, International Business.
  - f. Business Administration.
  - g. Other or don't know (please specify): \_\_\_\_\_
17. What is your current intended major?
  - a. Accounting.
  - b. Finance.
  - c. Business Administration, Management.
  - d. Business Administration, Marketing.
  - e. Business Administration, International Business.
  - f. Business Administration.
  - g. Other or don't know (please specify): \_\_\_\_\_

# **Interactive Investor Education: An Exploratory Impact Study in Non-traditional Learning Environments**

Wanda F. Lester, North Carolina A&T State University, North Carolina, USA  
Vereda J. Williams, North Carolina A&T State University, North Carolina, USA

## **ABSTRACT**

The need for financial literacy, including financial market competencies, is urgent. Lack of education and skill in these areas is negatively impacting all age groups. As states attack this problem through mandates for financial literacy programs in K-12, colleges and universities have a unique opportunity to enhance these skills within their student population while providing a valuable service to the community. The project discussed in this article describes the first of two phases of engaging college students as teachers to introduce the Stock Market Game™ (SMG) to groups of students who attend alternative high schools. The high school faculty and students responded positively to the SMG and to method of teaching used during the first phase of the project. Other lessons learned from the project suggest the need to introduce greater organizational structure and enhanced partner reciprocity into the second phase of the project.

## **INTRODUCTION**

At no time in recent United States history has the need for a continuous educational focus on financial and economic literacy been more evident than the period surrounding the 2008 collapse of global financial markets. The convergence of exploited housing prices, lenient lending practices, unconventional investment instruments, and the absence and/or misuse of critical market controls contributed to significant fluctuations in the stock market and devastating financial losses for citizens across the socioeconomic spectrum. It proved to be serendipitous that it was during this period of financial uncertainty that we chose to study the impact of the Stock Market Game™ with a group of alternative high school students.

This article presents our exploratory introduction of the Stock Market Game™ (SMG) to students in high-school civics and economics courses at five alternative high schools. The exploratory study is a part of a two-semester project. Phase one establishes the significant motivators for the study, project design, the implementation process, and the lessons learned from the project. The second phase will use student performance on a pre- and post-test instrument to empirically evaluate the SMG as a tool for enhancing financial and economic literacy among students who have been challenged by the traditional public school system. We will also evaluate improvements of financial literacy among college students who acted as student instructors for the project. Although there has been widespread use and study of SMG nationally and internationally, we are not aware of any studies directed toward an alternative student focus group and to college students as financial instructors. Therefore, we engaged both groups of students in the exploratory project to gain an understanding of any impediments that may be encountered in these unique situations. We anticipate that the adjustments based on this exploratory project will improve the quality of observations during the final stage of the project.

The exploratory study provides important and practical insights that may be useful to future researchers, teachers, and others involved in improving overall student financial literacy. In addition to its usefulness in identifying obstacles unique to the target groups, we were also able to observe the impact of financial markets on students during a highly volatile economic period. The timing of the project increased opportunities for college instructors and teachers to integrate the classroom learning experience with external news events on a daily basis.

We begin by reviewing the background of the significant motivators for the paper: (1) the definition and importance of financial literacy; (2) the need for expanding this topic in alternative high schools; and (3) the validity of using

the SMG as an instrument for increasing financial literacy. We proceed to describe the project design, implementation, and lessons learned. The paper then summarizes the lessons learned from the project implications for the second phase of the study. We conclude by discussing the limitations of this study and suggest areas for future study.

## BACKGROUND AND SIGNIFICANCE

### Financial Literacy

Over the last two decades, the term financial literacy has been used to indicate one's knowledge of financial concepts and their ability to use that knowledge to make decisions that support their economic well-being. The term is broadly used to address consumers' understanding and ability to communicate concepts pertaining to financial choices that include savings, use of credit, retirement planning, and portfolio competencies (Fox, Bartholomae, and Lee, 2005; Braunstein, 2002). Since the mid-1990s, financial literacy studies have raised increasing concerns about the adequacy of financial knowledge among adults, college students, and students in grades K-12. In summarizing research studies by the Consumer Federation of America and Jump\$tart Coalition for Personal Financial Literacy, Hilgert and Hogarth (2003) report that surveys of American youth and adults reveal low scores for economic and financial literacy.

The Jump\$tart Coalition's biennial financial literacy tests continue to highlight the need for financial education among high school and college students (Jump\$tart, 2009). Results from the 2008 survey of over 6,000 graduating high-school seniors revealed that students were only able to answer 48.3% of the questions correctly. These findings represented a decline from the 2006 study in which high-school seniors correctly answered 52.4% of the questions. Jump\$tart completed its first survey of 1,030 full-time college students in 2008 and, while college students performed better than high-school students, the results continue to point to the need for additional financial education. Correct scores for this group averaged 62%, with college freshmen correctly responding to 59% of the questions and college seniors correctly answered 65% of the questions. The percentages of questions answered correctly by ethnicity are shown below in Table 1.

**Table 1: Results of Financial Literacy Test for High School and College Students by Ethnicity  
Percentage of Correct Responses**

Students	Caucasian	Hispanic	African American
High School	52.5%	45.0%	41.3%
College	62.3%	59.8%	55.3%

Source: Jump\$tart – Financial Literacy for Young Adults

[http://www.jumpstartcoalition.org/upload/2009Book\\_complete\\_after\\_Lew\\_Edits.pdf](http://www.jumpstartcoalition.org/upload/2009Book_complete_after_Lew_Edits.pdf)

For the high school students, Jump\$tart correlated the ACT college entrance examination scores to the percentage of correct responses to the financial questions. Their findings show that students who scored 27 or above on the ACT examination correctly answered 59% of the questions, while students whose ACT score was 20 or below answered only 43% of the survey questions correctly. These results, along with the findings from the college survey, suggest that age and problem solving ability may influence students' ability to comprehend financial information (Jump\$tart, 2008). The findings of these surveys demonstrate a need to enhance financial education among targeted youth groups. As the complexity of financial instruments increases, these findings also raise significant concerns about the overall financial literacy of U.S. citizens.

### Middle College High Schools

The alternative high schools used in this study are referred to as middle colleges. Middle college high schools are small high schools for students with academic potential who are not succeeding in traditional high schools or may have already dropped out (Grier, T. and Peterson, K. D., 2006). The current middle college high schools are based

on the model established by Middle College High School on the campus of New York's LaGuardia Community College in 1973 (Cunningham and Wagonlander, 2000). Located on the campuses of community colleges and universities, middle college high schools are designed to encourage at-risk youth who are encountering academic or social difficulties in traditional high schools. Students attending middle college high school have generally been identified by teachers and/or counselors as having strong success potential. The Middle College National Consortium has developed "design principles" to address the methods these schools use for reaching underperforming and underachieving student in traditional learning environments (Middle College National Consortium, 2009).

Cunningham and Wagonlander (2000) note several critical factors that contribute to the successful matriculation of middle college students. The location of the school on a college campus provides a pivotal motivational symbol. In this environment, the college students become "visible peer models" (p. 41) and the high school students are often able to see themselves as successful graduates who can attend college. The collaborative partnerships across the high schools, colleges, and school districts minimize the boundaries between high school and college, while maintaining the educational requirements established by the school district. Small class sizes and superior academic support services help to create an innovative learning community. Through effective academic, social, and emotional support, students learn to value the commitment and caring nature of faculty and other adults (MCNC, 2009).

The project presented in this article was conducted in the Guilford County School District (GCSD) of North Carolina. In 2000, the district was the first in the state to implement a middle college program. At the time of implementation, the district's dropout rate exceeded 6%, and the demographic data indicated that the greatest percentage of dropouts at the high school level were non-white, male students. By 2007, the dropout rate had declined to 3.3%, as compared to the overall state rate of 4.97%. Among the largest school districts of North Carolina, the GCSD has the lowest reported dropout rate, and the district acknowledges the success of the middle college program as a contributing factor in producing these results (Guilford County Schools, 2009). The success of these programs has led to districts across the state establishing a total of 13 middle colleges by 2009 (NC Public School Report Card, 2009).

### **Stock Market Game™**

The Stock Market Game™ (SMG) was implemented in 1977 by the predecessor of the current Securities Industry and Financial Markets Association (SIFMA) Foundation for Investor Education. Over the past 30 years, SMG has been introduced to thousands of teachers around the world and more than 12 million students in grades 4-12. Using a virtual account of \$100,000, student teams research the stock of companies listed on the NASDAQ and New York Stock Exchange and make decisions about how to allocate funds to earn the greatest return on their investments. Offered primarily through state affiliates of the Council of Economic Education, SMG is correlated to state-by-state curricula standards. Anecdotal observations by teachers have long suggested that students who participate in the SMG improve their financial skills and overall knowledge in diverse disciplines, including economics, mathematics, language arts, and social studies. Beyond core subject matter, students' involvement in the game enhances other valuable skills. It has been suggested that the game improves skills related to critical thinking, analytical reasoning, team-based learning, and communication (Altmeyer, 2000).

In a study funded by the Financial Industry Regulatory Authority (FINRA) Investor Education Foundation, Learning Point Associates (2009) conducted a randomized controlled research evaluation of the causal impact of the SMG on student achievement. Approximately 1,200 teachers across the United States with students in grades 4-10 indicated an initial interest in participating in the 15-week version of the game. From the teachers who expressed an interest, 568 were selected for the final sample; 296 teachers and their students were designated as the treatment group and 272 teachers and their students were designated as the control group. The teachers in the treatment and control groups had no significant differences with respect to teaching experience, SMG experience, or grade levels taught. The schools also did not differ significantly in terms of urban versus rural or suburban locations, minority

enrollment, or students qualifying for free or reduced lunch programs.

Pre- and post-tests findings from this study indicate that students who played the SMG significantly outperformed students who did not play the game on mathematics and investor knowledge tests. Surveys of students involved in the game indicated a positive experience. Enhanced skill development was noted in the areas of communication, conflict resolution, and interaction with other students. With respect to improved financial literacy, students indicated that they continued to think about investing when they were not in class, discussed the game with family and friends, and appear to be developing an appreciation for saving and investing in the future (Learning Point Associates, 2009).

Cole (2009) and Kempson (2008) have argued that more empirical research is necessary to evaluate the effectiveness of financial literacy programs. Cole noted the need for rigorous evaluations of financial education programs and the use of randomized research designs. Kempson indicated a need for: (1) clear consensus of what researchers are seeking to affect, i.e., knowledge, attitudes, behavior; (2) testing options that allow generalization; and (3) designs that include pre- and post-tests, control groups, and adequate sample sizes with low attrition. The research study of the SMG by Learning Points Associates meets many of Cole and Kempson's recommendations and appears to validate the value of using the SMG to enhance financial literacy and academic performance in mathematics.

### **Summary of the Motivating Factors for the Study**

The importance of financial literacy as a means of improving overall household well-being is widely recognized. Numerous studies have linked financial literacy to better decision making regarding retirement (Lusardi and Mitchell, 2009), seeking lower interest rates and a potential tool for reducing predatory lending (Todd, 2002), and stock market participation (Cole and Shastry, 2009; van Rooij, Lusardi and Alessie, 2007). In Lusardi's (2009) empirical study of debt literacy, she concluded that there is "a sizeable cost of financial ignorance" (p. 24) and finds that nearly one-third of all fees and charges paid by persons who lack adequate financial literacy are related to a "lack of knowledge" (p. 25) even after controlling for income, wealth, family status, and other factors. Martin (2007) and Chang and Lyons (2008) find that while financial education programs benefit all participants, the greatest improvement in financial behavior occurs among those who reported lower levels of financial competency before the educational program. Martin (2007) further notes that low-income and less educated households, as well as minorities, single parents, and women, tend to benefit the most from financial education.

Therefore, given the overall recognition of the problem and evidence supporting the target groups who gain from financial education, the next concerns for this research focused on (1) the suitability of high school and college aged students as target groups and (2) the validity of SMG as a tool for increasing financial literacy and investment knowledge. Studies referenced earlier by Jump\$start and others suggest a significant lack of financial literacy among high school-aged students. The Lusardi, Mitchell, and Curto (2009) study identifies similar findings among young adults. In an examination of data from the 1997 National Longitudinal Survey of Youth, they find that "fewer than one-third of young adults possess basic knowledge of interest rates, inflation, and risk diversification." They also found that socio-demographic characteristics and family financial sophistication had a strong impact on the financial literacy of young adults.

Finally, with respect to the validity of the SMG as an instrument to assist in enhancing financial literacy and investment knowledge, the study by Learning Point Associates (2009) is timely. Its findings from a nationwide randomized study of control groups in 568 classrooms showed a significant difference between students who played the SMG and those who did not, in both mathematics and investor knowledge. The performance of students who played the game substantially exceeded the performance of students who did not play the SMG. Further, while the magnitude of the change was substantial across all grades from 4-10, with respect to grades 9 and 10, the SMG was found to have a stronger effect than other targeted interventions in other randomized studies.

## PROJECT IMPLEMENTATION

### Sample Schools

The SMG project was conducted in Guilford County. With over 71,000, students, Guilford County is the third largest school district in the State of North Carolina, following the districts in Charlotte and Wake County (Raleigh). The county encompasses a highly diverse student population, with 40.8% African American and 39.5% white students. The remaining population of students is 8.9% Hispanic, 5.4% Asian, .5% American Indian, and 5.0% multiracial. Nearly 50% of the county's students qualify for the free/reduced lunch program.

Guilford County was the first district in the state to implement the middle college program. There are seven middle colleges in the district, and they service over 600 students. Five middle colleges participated in the SMG project, including the two that are single gender schools. Each school is surrounded by very different environments with respect to the associated college or university enrollment size, locale, and facilities. Key statistics for the five middle colleges are presented in Table 2 below.

**Table 2: Guilford County Middle College High Schools Sample Descriptive Data**

	School A	School B	School C	School D	School E
Enrollment	125	107	203	110	93
Faculty Size					
SAT Average 2009*	1032 (1552)	797 (1170)	801 (1188)	809 (1183)	838 (1256)
Male	64.8	37.4	32.5	N/A	100.0
Female	35.2	62.6	67.5	100.0	0
White	64.0	23.4	4.4	3.6	2.2
Black	32.8	61.7	70.4	94.5	97.8
Hispanic	1.6	11.2	7.4	1.0	0
Other	1.6	3.7	17.8	1.0	0

\*Math and critical reading (total score including critical writing)

Source: NC Public Schools <http://www.ncpublicschools.org/fbs/accounting/data>

### Project Design

The impact study was planned to be conducted in two phases; the initial phase was conducted during the spring 2009 semester and the final phase was planned for the fall 2009 semesters. Based on experiences observed during the first phase, the second phase was re-scheduled for the spring 2010 semester. Prior to initiating the 10-week SMG, participating principals from each middle college and the participating teachers from the civics and economics classes at these schools were invited to a planning session at the university. As an incentive, the teachers were paid from a grant to attend. During this session, persons from each school were given additional information and met all of the persons who would be working with them over the course of the game, including presenters from the North Carolina Council of Economic Education. Each instructor registered their student teams for the SMG during this planning session. Teachers were given instructions about the "Test of Economic Literacy" (Minnesota Council of Economic Education) and asked to administer the instrument as a pre- and post-test benchmark to evaluate the impact of the SMG intervention on student learning, with respect to economic literacy.

In addition to middle college students playing the SMG, other related interventions were also used to enhance student performance. College student teams of 2-3 persons were assigned to each middle college. The college students were selected from students attending North Carolina A&T State University, with a classification above the freshmen level and majoring in a business or an education discipline. These college teams met once per week with the university faculty to study the week's lesson plan, to discuss any issues raised at any of the respective schools, and to play the SMG as a team. Following the study sessions with university faculty, the student teams visited their



assigned schools once per week at a specified time. Each college team was asked to follow the prescribed lesson plan, delivering instructions regarding the SMG and offering enhanced course instruction pertaining to investments, money management, and macroeconomics. To offset the travel and food costs associated with each school visit, a set reimbursement was distributed weekly to college team members.

Students at each school were organized into 3-5 person teams and given password information for game and research access. To encourage supplemental research and current event study, each middle college teacher was also given a pre-paid subscription to *Business Week* and *USA Today* for their classrooms. Middle college teachers and students were motivated by the opportunity to win prizes based on their competitive performance against other teams in the region and the state. They were also advised that the university faculty would provide special recognition to the highest performing team among the middle colleges. University faculty members were readily available to fill in for college team-member absences or make necessary intercessions between the college team and middle college faculty to resolve potential problems.

## **LESSONS LEARNED**

The spring 2009 SMG took place during an exceptional “teaching moment.” Following the inauguration of the United States’ first African American president, many minority students at the university expressed the sentiment that a significant “glass ceiling” had been broken for all educated and qualified individuals, and they often shared this point of view with middle college students. From a macroeconomic perspective, a history-making global financial/mortgage crisis, also heightened students awareness of world events. Across the State of North Carolina the pain of rising unemployment rates in excess of national levels and significant budgetary contractions in public and private ventures affected students, parents, and faculty. With daily information reported on television news, the Internet, and through discussions of personal experiences, many college and high school students were more attuned to the impact the economy was having on their daily lives. The concept of the need to understand finance was more realistic than it may have been during a more stable economic time.

The lessons learned during the period of the game revealed positive outcomes that should be replicated during the second phase of the project. However, we observed other challenging areas of concern that should be approached differently during the second phase of the project. These observations and the lessons learned are described below..

### **Positive Observations**

- Teachers and students at each school responded positively to the weekly presentations by the college students. After the second week of the game, each college student was given a workbook that correlated the SMG with the standards taught in class. Teachers were much more responsive to the program when this information was shared with each of them.
- College student presentations improved over the course of the project. College students also became familiar with the logistics of the classes and could better deliver the lessons without incurring delays related to classroom locations and other factors.
- College students in the business school appeared to significantly improve their financial knowledge over the course of the game.
- An unexpected outcome of having the college students teach the subject matter was that some were able to serve as direct role models and/or mentors to the high school students. The college students enjoyed this opportunity to have an impact on younger students and the high school students were similarly inspired.

**Lessons Learned:**

- College students can provide valuable learning experiences in high school settings.
- Sound written resources and teaching sessions should be provided to the college students at least two weeks prior to project implementation to increase initial classroom effectiveness.
- It would be valuable to administer pre- and post-test to college students to empirically assess learning and evaluate changes in behavior.
- College students should be offered professional guidance on high school student mentoring.

**Areas of Concern**

- The results of end-of-year student assessment tests are important components in evaluating teacher performance, compensation, and the overall quality assessment of the schools. For these reasons, some of the high school teachers expressed concern about the introduction of the game, fearing the possible loss of time for subject-matter teaching. The results of student performance for each school are highly visible at the county and state levels, and failure to meet expected standards may harm recruitment, budget allocations, remuneration, and the potential for other negative consequences.
- Some teachers were reluctant to allocate time for administering the Test for Economic Literacy and put little emphasis on the importance of the test as a tool for pre- and post-test evaluation.
- College student stipends were adequate for food and travel to and from the school, but failed to compensate students for preparation time spent meeting with university faculty.
- The SMG uses the opportunity to win prizes as an incentive to encourage faculty and student participation. However, it was observed that the focus on prizes and growth in stock value occasionally competed with the overall learning objective.

**Lessons Learned:**

- The project design must include a minimum of 12-15 hours of contact time by university faculty with the classroom teachers during the semester preceding implementation. This coordinated pre-planning opportunity would alleviate potential concerns and facilitate a more welcoming environment.
- The college students should be selected from an on-going course that has a service-learning component. Monetary compensation would still be required for out-of-pocket expenses, but scheduled class time could be used for project instruction and reflection.
- Reasonable tangible recognitions should be used during the 10-week period to reward learned skills about the stock market and financial literacy goals. In this way, students begin to value learning rather than primarily focusing on potential prizes at the end of the game; our rationale for this suggestion hinges on the belief that, if the students learn, they will perform better in playing the game and both objectives will be met. During the pre-planning process with teachers, the rewards or recognitions could also be designed to reinforce learning concepts from the end-of-year tests and serve as an assessment tool as the students play the game.

**CONCLUSION AND FUTURE RESEARCH**

As we conducted this project, the devastating effects of the 2008 economic crisis were spreading through financial markets around the globe. Our use of the SMG with middle college students offered a powerful means of integrating financial literacy with the study of economics and current events. Over the course of the 10-week game, high school teachers observed greater engagement by middle college students in current events and in applying that information to team-based investment decisions and other classroom projects. Additionally teachers reported that students engaged in conversations about their participation in the SMG and its relationship to finance and investments with peers and family members; these conversations led to an increased interest in financial markets and

---

the desire to perform well during the game.

The challenges of developing an integrative program that involves students at the high school- and college-levels provided critical insights with respect to research design and program development. The lessons learned from this project resulted in several observations. First, projects such as this require significant preliminary coordination with middle college teachers to ensure that the goals of the research are consistent with the schools' assessment measures. Because of the need to meet statewide performance mandates, it is imperative that the design of any external project enhances the learning process in a manner that directly supports specified curriculum standards. Delivery processes for the SMG have been revised for the second phase of the project to eliminate conflicting goals and/or expectations. A second lesson relates to ensuring that university students recognize the difference between the teaching tool (the game) and the critical requirement to teach financial concepts. This project requires a greater commitment of time, effort, research, and teamwork that most other voluntary endeavors. The level of work mirrors that of a required course in which students are evaluated on the basis of competency and productivity. Therefore, this lesson suggests that the project should be imbedded within a graded college course. This revision will be included into the context of the second phase of the project.

The most significant lessons of the project were both surprising and rewarding. The college students reported: (1) improvements in their financial knowledge, and they were able to make adjustments to their personal financial strategies; and (2) the college students unexpectedly became individual mentors to the high school students. Although these outcomes were not specified as expectations of the research, the findings enhance the value of engaging college and high school students in financial study. The use of SMG enhanced the overall financial learning process for both groups. More importantly, discussions with each group indicate that key "soft skills" or personal attributes improved. The university students gained confidence in their ability to learn and convey new information, and also to give presentations to varied audiences that often included high school students, faculty, and principals. Additionally, these university students were able to utilize effective time management skills with respect to course preparation and delivery. The high school students developed additional team-based and decision-making skills, and they learned to positively interact in with external constituents.

Financial literacy and long-term financial market participation are issues of growing concern, and they should be addressed in future research. Based on the lessons learned, the immediate future research for this project includes revising the second phase of the study, to include pre- and post-testing of economic knowledge, and revisions to the design and delivery methods. During the next phase, the authors will conduct an empirical analysis of the academic performance of middle college students who play the SMG as compared to those students who do not play the game. Findings from this research will broaden our understanding of SMG as a tool for enhancing financial literacy among specialized high school students. Among college students, future research should examine longitudinally how the role of facilitating an investment game shapes future decision-making. Such a study may focus on the relationships between the study of financial planning and markets on student retention and graduation rates, job preparedness, and long-term investment activity.

## REFERENCES

- Altmyer, D. J., "Using an Online Stock Market Simulation as a Cross-disciplinary Learning Enhancer: Simulation as an Example of Grey Literature." *The International Journal of Grey Literature*, 2000. V. 1, No. 3, pp. 121-127.
- Braunstein, S. and C. Welch, "Financial Literacy: An Overview of Practice, Research, and Policy." *Federal Reserve Bulletin*. November 2002, V. 88, No. 11, pp. 445-457.
- Cole, S., "Strategies for Promoting Lifetime Income." In *Financial Literacy in Times of Turmoil and Retirement Insecurity; Section III: Alternative Approaches to Financial Literacy*, Brookings Institute, Washington, D. C. 2009, p. 10. Retrieved September 20, 2009, from <http://www.mrrc.isr.umich.edu/publications/other/pdf/Financial%20Literacy%20Proceedings.pdf>
- Cole, S. and G. K. Shastry, "Smart Money: The Effect of Education, Cognitive Ability, and Financial Literacy on Financial Market Participation." 2009. *HBS Working Paper Number: 09-071* Retrieved September 19, 2009, from <http://www.hbs.edu/research/pdf/09-071.pdf>
- Chang, Y. and A. C. Lyons, "Are Financial Education Programs Meeting the Needs of Financially Disadvantaged Consumers?" *Journal of Personal Finance*, 2008. V. 7, No. 2, pp. 84-109.

- Cunningham, C. L. and C. S. Wagonlander, "Establishing and Sustaining a Middle College High School." *New Directions for Community Colleges*, 2000, No. 111, pp. 41-51. Retrieved September 17, 2009, from <http://www.mrc.isr.umich.edu/publications/other/pdf/Financial%20Literacy%20Proceedings.pdf>
- Eyler, J., "Reflection: Linking Service and Learning--Linking Students and Communities." *Journal of Social Issues*, December 2002. V. 58, No. 3, pp. 517-534. Retrieved September 17, 2009, from <http://www3.interscience.wiley.com/cgi-bin/fulltext/118911237/PDFSTART>
- Fox, J., S. Bartholomae, and J. Lee, "Building the Case for Financial Education." *The Journal of Consumer Affairs*, Summer 2005. V. 39, No. 1, pp. 195-214.
- Grier, T. B. and K. D. Peterson, *Middle College High Schools: A Meaningful Option for Disconnected High School Students*, National Dropout Prevention Center/Network, Clemson, S. C. 2006.
- Guilford County Schools, "Guilford County Schools 2007-2008 Dropout Rate Below State Average," 2009. Retrieved September 20, 2009, from [http://www.gcsnc.com/ind\\_success/district/dropout.html](http://www.gcsnc.com/ind_success/district/dropout.html)
- JumpStart (written by Mandell, L.), "The Financial Literacy of Young American Adults." *JumpStart Coalition for Financial Literacy*, 2009. Retrieved September 18, 2009, from [http://www.jumpstartcoalition.org/upload/2009\\_FinLit-Mandell.pdf](http://www.jumpstartcoalition.org/upload/2009_FinLit-Mandell.pdf)
- Hilgert, A., J. Hogarth, and S. Beverly, "Household Financial Management: The Connection between Knowledge and Behavior." *Federal Reserve Bulletin*. 2003, pp. 310-322. Retrieved September 21, 2009, from <http://www.federalreserve.gov/pubs/bulletin/2003/0703lead.pdf>
- Kempson, E. "Empirical Evidence on the Effectiveness of Financial Literacy Initiatives." Global Seminar on Consumer Protection and Financial Literacy, September 3, 2008. *World Bank Group*, Washington, D. C. Retrieved September 14, 2009, from [http://www.ifc.org/ifcext/economics.nsf/AttachmentsByTitle/CON\\_FinLitSeminar\\_2008\\_Kempson/\\$FILE/Kempson\\_EmpiricalEvidence\\_Presentation.pdf](http://www.ifc.org/ifcext/economics.nsf/AttachmentsByTitle/CON_FinLitSeminar_2008_Kempson/$FILE/Kempson_EmpiricalEvidence_Presentation.pdf)
- Kenworthy-U'Ren, A. L. "Management Students as Consultants: An Alternative Perspective on the Service-Learning Call to Action." *Journal of Management Inquiry*, December 1999. V. 8, No. 4, pp. 379-387.
- Learning Point Associates, *The Stock Market Game™ Brief Report*. 2009. Retrieved September 14, 2009, from [http://www.learningpt.org/smg/SMG\\_Study.pdf](http://www.learningpt.org/smg/SMG_Study.pdf)
- Lusardi, A. "The Importance of Financial Literacy." *NBER Reporter: Research Summary*. 2009, No. 2. Retrieved September 20, 2009, from <http://www.nber.org/reporter/2009number2/lusardi.html>
- Lusardi, A. "Financial Literacy: An Essential Tool for Informed Consumer Choice?" *National Bureau of Economic Research*. 2008, Working Paper 14084, pp. 1-28. Retrieved September 15, 2009, from <http://www.nber.org/papers/w14084>
- Lusardi, A., O. S. Mitchell, "How Ordinary Consumers Make Complex Economic Decisions: Financial Literacy and Retirement Readiness." *National Bureau of Economic Research*. 2009, Working Paper 15350, 1-34. Retrieved September 15, 2009, <http://www.nber.org/papers/w15352>
- Lusardi, A., O. S. Mitchell, and V. Curto, "Financial Literacy Among the Young: Evidence and Implications for Consumer Policy." *National Bureau of Economic Research*. 2009, Working Paper 15352, 1-33. Retrieved September 15, 2009, <http://www.nber.org/papers/w15352>
- Martin, M. "A Review on the Effectiveness of Financial Education." *Federal Reserve Bank of Richmond*, 2007, Working Paper No. 07-03, 1-26. Retrieved September 19, 2009, from [http://www.richmondfed.org/publications/research/working\\_papers/2007/pdf/wp07-3.pdf](http://www.richmondfed.org/publications/research/working_papers/2007/pdf/wp07-3.pdf)
- Middle College National Consortium (MCNC), "Design Principles." Retrieved September 22, 2009, from [http://www.mcnc.us/downloads/Deisgn\\_Principles.pdf](http://www.mcnc.us/downloads/Deisgn_Principles.pdf)
- Minnesota Council of Economic Education, *Test of Economic Literacy* (paper version used in project). Retrieved on-line test on October 5, 2009, from <http://www.mcee.umn.edu/programs/onlinetest.html>
- North Carolina Public Schools, [www.ncpublicschools.org](http://www.ncpublicschools.org)
- Todd, R. M., "Financial Literacy Education: A Potential Tool for Reducing Predatory Lending?" *The Region*. December 2002. V. 16, No. 4.
- van Rooji, M., A. Lusardi, and R. Alessie, "Financial Literacy and Stock Market Participation." *National Bureau of Economic Research*. 2007, Working Paper 13565, pp. 1-28. Retrieved September 15, 2009, from <http://www.nber.org/papers/w14084>
- Vitt, L. A., C. Anderson, J. Kent, D. M. Lyter, J. K. Siegenthaler, and J. Ward, "Personal Finance and Rush to Competence: Financial Literacy Education in the U.S." *Fannie Mae Foundation*. 2000. Retrieved September 15, 2009, from [http://www.isfs.org/rep\\_finliteracy.pdf](http://www.isfs.org/rep_finliteracy.pdf)

**Wanda F. Lester** is Associate Dean in the School of Business and Economics at North Carolina A&T State University. She received her Ph.D. in Strategic Management from Florida State University and her B.S. degree in accounting from Florida A&M University. She has over 15 years of experience in corporate and tax accounting as a certified public accountant. Her teaching and research interests include organizational theory and the integration of organizational change and learning.

**Vereda Johnson Williams** is an Associate Professor in the Department of Economics and Finance at North Carolina A&T State University. She received her Ph.D. in Economics from Duke University. Dr. Williams, a former Fulbright Scholar to Barbados West Indies, directs the School's Center for Economic Education. Her research interest includes the economics of education, environmental economics, transportation economics and ecology. Dr. Williams has been published in several journals and has presented extensively.

# Employment Acquisition Skills Panel Exercise

Sarah A. Humphries, Georgia College & State University, Milledgeville, GA USA

## ABSTRACT

In today's extremely competitive job market, excellent employment acquisition skills are more important than ever before. This exercise exposes students to four "real world" business persons who are in positions to hire recent college graduates. Students hear firsthand what potential employers are looking for in job candidates. In addition to the valuable information students hear from the speakers, students also have three writing opportunities throughout this exercise; two group deliverables and one individual deliverable.

**Keywords:** Employment Acquisition Skills, Resume writing, Interviewing skills, Business Communications

## INTRODUCTION

Incorporating "bits of wisdom" from industry leaders is becoming increasingly more common in textbooks for business courses. Many, if not most, Business Communication textbooks open each chapter with case studies or "communication dilemmas" highlighting leading corporations and professionals in different fields. This emphasis on including real stories and dilemmas is clearly an attempt to incorporate knowledge and advice from the corporate sector into our classrooms.

In today's job market, strong employment acquisition skills can certainly mean the difference in being offered a job or being rejected. But, do you ever get the sense that your students are not really listening when you tell them how important having sharp interviewing skills coupled with a strong, well-developed, and informative resume are? I have found through this exercise that having "real world" business professionals speak about these skills can really have an impact on students. Maybe for the same reasons Business Communication texts are including case studies and dilemmas, students seem to hear what these individuals have to say much more clearly than an instructor in a lecture format.

This exercise offers more than just a panel discussion on employment acquisition skills, however. In this one exercise, students have the opportunity to work in a group to solve multiple tasks, to hear four business professionals speak about employment acquisition skills, and to practice their business writing skills three times in memo and letter formats.

## THE EXERCISE

About two weeks before the scheduled presentation date, students are assigned to one of four groups, by major. It may be necessary to group several less represented majors in order to keep group sizes roughly equal. Students are then given the following instructions for the exercise.

### **Purpose of the Project:**

To have "real world" business professionals speak to the class concerning their expectations for recent graduates' employment acquisition skills (resume and interview skills).

Things to do:

1. Introduce yourself to your group members.
2. Identify potential speakers from people that you know.
3. Develop a hierarchy of candidates to contact.
4. Begin contacting candidates in order of preference (each group must secure one - and only one - speaker).
5. Send a confirmation letter to the speaker specifying date, time, and topic to be discussed.

6. Select someone in the group to introduce the speaker (may be different than the contact person).
7. Send a thank-you letter after the presentation.

**Graded Assignment:**

Your grade will be based on the following:

1. A memorandum addressed to (Instructor's Name)
2. In this memorandum you will discuss BRIEFLY:
  - a. Who the panel members were?
  - b. What each contributed to the discussion?
  - c. What did you get out of this panel discussion?
  - d. An evaluation of each of your group members (what they did or did not do).

**ACTIVITIES EXPLAINED**

Once the groups have been formed and group members have introduced themselves, the first task is to identify potential speakers. Encourage students to consider individuals who are in a position to hire college graduates, as the purpose of this exercise is to sharpen the students' employment acquisition skills. Students who are employed may offer the best leads. Indirectly, this exercise highlights how important networking can be in the business community. The challenge in this part of the exercise is developing a hierarchy of potential candidates and determining how to move through the hierarchy if top candidates are not available. Group problem solving and communication skills are vital to this part of the exercise.

Once a candidate has verbally agreed to speak to the class, the next task for each group is to write a confirmation letter. This letter should contain information concerning date, time, place, and topic to be discussed, and may include a map of the campus and a parking permit. A short discussion of the format of the letter and information contained within should occur in class, as students are typically unsure of this part of the exercise. The instructor of the course may elect to proof these letters prior to sending. Again, this part of the exercise provides group problem solving challenges (who will write the letter?) and the usage of both verbal and written communication skills.

The next tasks facing the group are meeting the speaker and introducing him/her at the beginning of the presentation. These roles could be taken on by different group members or the same, depending on how the group wants to divide the work load. Occasionally, speakers will have to cancel at the last minute due to unforeseen circumstances in their work lives. A contact person should have been identified in the confirmation letter in case this occurs. Students tend to get very upset when this happens, as they fear it will affect their grade. As the instructor, you will need to decide how to handle this. Instead of penalizing students if the cancellation happens at the last minute, a discussion of the unpredictability of the business world and how backup plans can be critical to the success of projects may be valuable.

During the presentation, the four speakers are given about 10 to 15 minutes each (depending on class length) to discuss the type of jobs for which they hire and what they look for in potential hires. Speakers should be encouraged to focus on resume and interview "dos and don'ts". Interviewing disaster stories are both humorous and informative. A question and answer period follows after all speakers have presented. This is a wonderful opportunity for students to ask potential employers for hints and tips that may enable them to interview more confidently in the future. Students may elect to present speakers with token gifts (i.e., a school mug), but the decision to do this may need to occur on the class level so that all groups can prepare.

Following the presentation, each group must send a thank-you letter or card to their speaker. Again, as the instructor, you need to decide whether to proof these letters or cards. Groups will need to determine who will write the letter or purchase the card, and get all members to sign.

The last task is another writing assignment that is an individual effort. Each student must prepare a one-page memorandum addressed to the instructor that covers the following four pieces of information:

1. Who were the panel members? A brief description of each member including name and place of employment may be sufficient.
2. What did each panel member contribute? Typically each member of the panel discussion will say something memorable. As the instructor, you may be surprised as to what the students remember.
3. What did the student get out of the panel discussion? Many times students report that they really learned a lot from the discussion, although those same ideas may have already been presented in class.
4. An evaluation of each of your group members. This is an opportunity for students to identify the “loafers” in the group and it is explained that student comments will be reflected in the final grade for this project.

This exercise allows students the opportunity to work in a group that has multiple tasks to achieve. Good problem solving and communication skills are critical to the success of the group. In addition, this exercise gives students three writing opportunities. Two of these opportunities may be cooperative efforts with other group members, but the final memo is an individual effort.

The true beauty of this exercise is that students do all the work involved with finding and confirming speakers. The challenge for the instructor is that you never know who will show up to speak to your class.

# A Business School's Unique Hiring Process

William P. Cordeiro

Martin V. Smith School of Business and Economics  
California State University Channel Islands – Camarillo, CA, USA

## ABSTRACT

Hiring effective employees is essential to the success of all organizations - regardless of their vision, mission, tactics or discipline. Effective employees understand, support and promote the organization's mission and strategy. The Martin V. Smith School of Business and Economics (Smith School) is part of California State University Channel Islands (CSUCI) that was established as the 23<sup>rd</sup> campus of the California State University (CSU) system in Camarillo, California in 2001. The CSUCI Mission Statement strongly emphasizes interdisciplinarity. The Smith School reflects this emphasis in its academic programs, and participates in a unique search process to hire faculty members committed to interdisciplinarity. This paper describes the Smith School's interdisciplinary approach to its curricula and the linking of the interdisciplinary approach to its hiring process.

**Keywords:** Business faculty hiring; interdisciplinary hiring; interdisciplinary curriculum; start-up business school.

## INTRODUCTION

For all organizations, the hiring of employees who appreciate and implement its mission and strategy is critical to the organizations' success. While all employees in all organizations are important, university tenure track faculty members play an enormous role in the success (or failure) of the organization. Physical entities such as buildings and laboratories are significant, but it is the intellectual human capital embodied in the faculty that determines the ultimate fate of the university. Since it is so important, the faculty hiring process has been extensively studied, resulting in thousands of published research articles (Clark and Ma, 2005; Landrum and Clump, 2004; Van der Vorm, 2001).

In 2001, the California State University (CSU) system established its 23<sup>rd</sup> campus in Camarillo, California. As a new campus, California State University Channel Islands (CSUCI) had the rare opportunity to "start from scratch." While adhering to CSU guidelines and regulations, CSUCI was able to hire faculty to develop and implement a unique vision, mission and strategy. The new CSUCI President personally selected the 13 Founding Faculty members to implement his vision of a university centered on students. The Founding Faculty actively participated in the development of the Mission Statement with a key component related to interdisciplinarity:

Placing students at the center of the educational experience, California State Channel Islands provides undergraduate and graduate education that facilitates learning within and across disciplines through integrative approaches, emphasizes experiential learning, and graduates students with multicultural and international perspectives (California State University Channel Islands, 2003, p 9)

In 2001, the two Founding Faculty members in Business and Economics developed their approach for a Bachelor of Science in Business degree. Their approach is more fully explained in "Smith School Curriculum" below. The Martin V. Smith School of Business and Economics (Smith School) was established within CSUCI in 2005. The formation of a "business school" formalized the educational approach of the Founding Faculty members and provided resources to further implement their plans and curricular ideas.

This paper describes the Smith School's interdisciplinary approach to its curricula and the linking of the interdisciplinary approach to its hiring process.



## INTERDISCIPLINARITY

Jacobs and Frickel (2009) define interdisciplinarity as “communication and collaboration across academic disciplines” and note that the forthcoming 42-chapter *Oxford Handbook on Interdisciplinarity* (Frodeman, 2009) confirms that “academic interest in interdisciplinarity is broad based.” Interdisciplinarity seeks to solve problems by integrating knowledge in a manner that disciplines alone cannot (Klein, 1990). Jacobs and Frickel (2009) state that academic interest in interdisciplinarity dates back to the work of the Social Science Research Council in the 1920s. Abbott (2001, pp 131-132) agrees that “academic interest in interdisciplinarity has been relatively continuous over the decades...”

Fuller (2004) argues that “...the transformative promise of interdisciplinarity lies in its capacity to interpenetrate disciplines, changing what they do by providing communicative forms and channels for renegotiating disciplinary boundaries and generating new epistemic standards.” Other strong supporters of interdisciplinarity (Davis, 2007; Klein, 2006; Kockelmans, 1979; Rhoten and Parker, 2004) stress the inter-relationship of knowledge among disciplines.

While strong, widespread and growing support for interdisciplinarity is evident, there are many barriers to its development. The primary obstacle is the historical nature of discipline-based university structures. Barriers involve academic departments with designated faculty lines and budgets, discipline-based conferences and specialized academic journals (Lattuca, 2001; Turner, 2000). All these elements promote targeted hiring of faculty to meet specific discipline requirements. Once hired, the effectiveness and career success for junior faculty are usually based on discipline-related achievements: e.g., publications/citations in prestigious discipline-based journals; grants in their discipline; recognition by discipline-based organizations (Pieters and Baumgartner, 2002).

As part of a start-up university, the Smith School has designed its curriculum and – most importantly – its faculty hiring and evaluation/reward process – to promote interdisciplinarity. The Smith School encourages its junior faculty to work on interdisciplinary projects and to teach interdisciplinary classes. It gives full credit to a professor team-teaching an interdisciplinary class (i.e., not half credit which is a common practice in other CSU campuses.) Described below are the unique features of the curriculum and the hiring process.

### SMITH SCHOOL CURRICULUM

The undergraduate business curriculum leads to a Bachelor of Science in Business. The Bachelor of Science in Business degree reflects a strong interdisciplinary liberal arts approach. As a student of Peter Drucker at the Claremont Graduate School 1978-1986, the author heard him explain his view of business school curricula many times in doctoral seminars: Drucker often said that “business management is a liberal art” since it includes many disciplines: first, the “traditional business-related disciplines” of accounting, economics, finance, human resources, information systems, management, marketing, strategic planning, and second, most other academic disciplines such as anthropology, art, communications, education, electronics, ethnics studies, geography, history, life and physical sciences, mathematics, media studies, psychology, sociology, statistics, etc.

The Smith School’s Bachelor of Science in Business degree even reflects interdisciplinarity in its name. It is the only undergraduate business degree within the 23-campus CSU that is not called Bachelor of Science in Business Administration. A minor point but the Founding Faculty wanted to drop the word “administration” from the degree title because they thought “administration” conveyed too narrow an approach to business. “Business” is composed of a variety of disciplines and skill sets – beyond the connotation of “administration.” Further promoting the interdisciplinary concept, the Bachelor of Science in Business is built on a foundation of “5 Cs”: critical thinking, collaboration (team work), communication (oral, written, mathematical), conduct (personal ethics) and competence (in the traditional business disciplines).

The Bachelor of Science in Business curriculum has five parts:

- General Education courses
  - Lower division courses in the traditional business-related disciplines
  - Upper division courses in the traditional business-related disciplines
  - A series of upper division interdisciplinary courses that link the Smith School with other academic units.
  - Students must take at least three interdisciplinary course offerings, often team-taught with professors outside the Smith School:
- Business of Art
  - Business and Economics in American History
  - Business and Economics in American Literature (as portrayed in novels and films)
  - Business and the Performing Arts
  - Capital Theory (Economics and Finance)
  - Drug Discovery and Development (Biochemistry, Biology, Business, Chemistry, Economics, Finance, Marketing)
  - Social Entrepreneurship (Business, Economics, Sociology)
  - The Library from the Perspectives of Business, Economics, Education and Library Science (includes visits to a variety of libraries: elementary school, high school, community college, comprehensive university, research university, corporate libraries, Reagan Presidential Library, local community libraries)
  - The Museum from the Perspectives of Art, Art History, Business, Economics and Education (includes visits to a variety of museums: large such as Getty, Los Angeles County; medium such as Ventura County, LA Contemporary; and small such as local or highly specialized museums)
  - The University from the Perspectives of Business, Economics, Education and Executive Administration (includes the President and Vice Presidents of CSUCI)
  - The Zoo from the Perspectives of Business, Economics, Education and Zoology (includes visits to large and medium regional zoos)
- A senior-level capstone course using a Business Simulation Game in which teams of students build a virtual company and compete against other companies, applying the business disciplines and interdisciplinary knowledge from their earlier course work.

All other academic programs at CSUCI have similar upper division interdisciplinary courses. Some examples:

- Anthropology: Values and Valuables (with Economics)
- Art: Multimedia (with Computer Science)
- Biology: Cancer and Society (with Sociology)
- Communication: Nonprofit Organizations (with Political Science and Economics)
- English: Bilingual Literary Studies (with Spanish)
- History: Dance in History (with Performing Arts)
- Mathematics: Mathematics for Game Development (with Computer Science)
- Psychology: Psychology of Art and Artists (with Art)

The Smith School curriculum is unique within the CSU. It provides students with opportunities to achieve a broad liberal arts and interdisciplinary education. Since it goes beyond narrowly focused business education, the curriculum requires special professors. The professors must be committed to the liberal arts interdisciplinary philosophy of the Smith School. Therefore, hiring faculty members uses an innovative approach described below.

### **SMITH SCHOOL HIRING PROCESS**

At most universities, the typical hiring process may evolve from year-to-year but tends to strongly follow previous practices. In general, the typical hiring process can be described as follows:

“A new position is advertised for about three months. A faculty search committee reviews applications and narrows the group of candidates for a more detailed consideration.... sometimes, telephone interviews or interviews at annual

discipline meetings.....are used to narrow the field. The committee then selects between two to four candidates for on-campus interviews. After all candidates have been interviewed on campus, the faculty vote on candidates and – depending on the particulars of the department – the department head makes a decision as to which candidate is preferred. The department then forwards its decision to university administrators, who are usually responsible for the actual hiring decision” (Shively, Woodward and Stanley, 1999, p. 520).

The Smith School hiring process has the following elements:

- Once positions are allocated by the administration, a Disciplinary Search Committee (DSC) is formed and must include at least one member from outside the Smith School (i.e., from a discipline other than accounting, economics, finance, management, marketing).
- The process of advertising, initial screening, phone interviews and invitations to campus is typical except that all elements stress the unique nature of CSUCI and the Smith School: e.g., the Mission and its implementation are advertised and discussed during the selection process. Candidates are expected to understand the Mission and the implications for interdisciplinarity.
- During their campus visits, candidates in several disciplines are invited with a larger pool (e.g., if possible, only one candidate in accounting, economics, management, etc. is on campus at the same time with one candidate from history, English, biology, etc.). To accommodate this candidate mix, there are three weeks of campus visits for the candidate pools.
- During a two day campus visit, all candidates undergo traditional search activities: They interview with the DSC, with the Dean, with the Provost, and (not so typically for most universities) with the President. They also make a presentation of their research and/or give a teaching demonstration.
- During their two days on campus, the candidates have several meals together with their DSC, with other faculty members, and with members of the campus community (staff and administrators) and members of the public.
- Most significantly, a mix a candidates is observed in an “Interdisciplinary Group Exercise” in which a group of candidates is given an hour to work together to develop a new interdisciplinary course. They are evaluated on their ability (a) to work effectively with candidates from other disciplines, and (b) to produce a reasonable interdisciplinary course proposal.
- Once the campus visits are completed, everyone can give the DSC their opinion and analysis of all the candidates in all disciplines, including their potential to successfully contribute to the unique organizational culture.
- Finally, the DSC forwards their recommendations to the President who, after personally checking references, makes the final hiring decision.

## **RESULTS SINCE 2001 – FUTURE PLANS**

The hiring success rate using this unique search process is significantly below the success rate for other CSU campuses: For 2001-2006, the CSUCI hiring rate was about 48% compared to the CSU hiring rate of 70-75%. One explanation for this “low success rate” may be that the CSUCI and Smith School search process contains a higher level of scrutiny leading to increased selectivity. Anecdotal evidence from candidates indicates that the search process is highly effective at communicating the importance of the Mission and its emphasis on interdisciplinarity. In addition to its emphasis on interdisciplinarity, CSUCI may be successful in attracting faculty candidates for other reasons: reasonably competitive salaries, a beautiful campus environment, a generally positive life style in Ventura County, and the ability to work/develop at a “new” university in the CSU system. Of course, recent economic difficulties in California, especially their impact on the CSU, may mitigate these positive attractions.

Since 2001, several issues/findings have surfaced relating to the unique hiring process:

- Not all CSUCI or Smith School faculty members actively support the process. Some faculty members would prefer to have emphasis placed solely on disciplinary knowledge, skills and experience during the hiring process.

- Some faculty members are concerned that the university and the Smith School are losing excellent candidates who “self select out” by not applying because they are not supporters of interdisciplinarity or do not understand interdisciplinarity.
- The hiring process is very time-consuming. Some question the value of investing so much faculty time for the eventual hiring result. Some suggest that the traditional process would be as effective in finding and hiring candidates interested interdisciplinarity.
- The effectiveness of the unique hiring system has not been empirically examined. While CSUCI faculty and administrators believe that the interdisciplinary emphasis and its link to the hiring process enhances the university (especially in retaining faculty members), no clear data yet exist. A future research project should examine the results of the unique hiring process and compare the results to more traditional approaches.

## CONCLUSION

Because they “started from scratch,” the Founding Faculty members were able to construct an innovative curriculum based on the CSUCI Mission Statement that emphasizes interdisciplinarity. By applying Peter Drucker’s liberal arts philosophy - embodied in the “5 Cs” – the Smith School has developed a unique curriculum to serve students in the 21<sup>st</sup> Century.

Of course, excellent faculty members are needed to offer the curriculum to students. Therefore, hiring is a key determinant of the Smith School’s future success. The current CSUCI President strongly supports the unique hiring process. The growth and success of CSUCI and the Smith School have been well publicized since 2001. Both intend to exploit their interdisciplinary success to promote the university and to attract faculty candidates interested in joining the Smith School.

## REFERENCES

- Abbott, A. *Chaos of Disciplines*. 2001. Chicago: University of Chicago Press.
- California State University Channel Islands. *University Catalog*. Camarillo, CA: California State University Channel Islands. 2003. p 9.
- Clark, R. and J. Ma (Editors). *Recruitment, Retention and Retirement in Higher Education: Building and Managing the Faculty of the Future*. 2005. Northampton, MA: Edward Elgar.
- Davis, L. J. “A Grand Unified Theory of Interdisciplinarity.” *Chronicle of Higher Education*. 2007. V. 53, Issue 40, p B 9.
- Frodeman, R. J. Klein and C. Mitcham (Editors). *The Oxford Handbook of Interdisciplinarity*. 2009, Oxford: Oxford University Press.
- Fuller, S. *Philosophy, Rhetoric and the End of Knowledge*. 2004. Madison: University of Wisconsin Press. Second Edition.
- Jacobs, Jerry and Scott Frickel. “Interdisciplinarity: A Critical Assessment.” *Annual Review of Sociology*. August 2009. V. 35, pp 43-65.
- Klein, J. T. *Interdisciplinarity: History, Theory and Practice*. 1999. Detroit: Wayne State University Press.
- Klein, J. T. “Afterword: The Emergent Literature on Interdisciplinary and Transdisciplinary Research Evaluation.” *Research Evaluation*. 2006. V. 15, pp 75-80.
- Kockelmans, J. J. (Editor). *Interdisciplinarity and Higher Education*. 1979. University Park: Pennsylvania State University Press.
- Landrum, Eric and Michael A. Clump. “Departmental Search Committees and the Evaluation of Faculty Applicants.” *Teaching of Psychology*. Spring 2004. V. 31, Number 1, pp 12-17.
- Lattuca, L. R. *Creating Interdisciplinarity: Interdisciplinary Research and Teaching among College and University Faculty*. 2001. Nashville, TN: Vanderbilt University Press.
- Pieters, R. and H. Baumgartner. “Who Talks to Whom? Intra - and Interdisciplinary Communication of Economic Journals.” *Journal of Economic Literature*. 2002. V. 40, pp 483-509.
- Rhoten, D. and A. Parker. “Risks and Rewards of an Interdisciplinary Research Path.” *Science*. 2004. V. 306, p 2046.
- Shivley, Gerald, Richard Woodward and Denise Stanley. “Strategy and Etiquette for Graduate Students Entering the Academic Job Market.” *Review of Agriculture Economics*. Autumn-Winter 1999. V. 21, Number 2, pp 513-526.
- Turner, S. “What are Disciplines? And How is Interdisciplinarity Different?” in *Practising Interdisciplinarity* P. Weingart and N. Stehr (Editors). 2000. Toronto: Toronto Press. pp 46-65.
- Van der Vorm, Patricia T. “The Well-Tempered Search: Hiring Faculty and Administrators for Mission.” May/June 2001. *Academe*. V. 87, Number 3, pp 34-36.
- Wakelee, Daniel W. and William P. Cordeiro. “Examining an Alternative Approach to Hiring Tenure Track Faculty.” *Review of Business Research*. October 2006. V. 6, Number 3, pp 101-105.

**William P. Cordeiro** earned his PhD in Executive Management from the Peter F. Drucker Graduate School of Management at the Claremont Graduate School in 1986. Currently, he is a Professor of Management and Director of the Martin V. Smith School of Business & Economics at California State University Channel Islands.

# Making Teams Relevant: Applied Management Education by Combining Service Learning and Learning Communities

James B. Lee, Stonehill College – Easton, Massachusetts, USA

## ABSTRACT

Service learning has been shown to provide important learning opportunities for business students to apply the theories learned in the classroom to challenging problems in the community while strengthening skills related to cultural awareness, citizenship, and oral and written communication. Using teams to address service learning projects enables the learning of team-related skills while teams grapple with significant problems involving the needs of people in the community. However, in order to sustain the use of team in service-learning projects, there needs to be sufficient common time in student schedules for teams to be created and for part of the team project to be conducted. One mechanism for providing this common time, as well as a cross-disciplinary perspective and an applied-learning focus, is the learning community.

**Keywords:** Service learning; learning community; developing team skills; locus of control; intolerance of ambiguity

## INTRODUCTION

*Many schools have a stated goal of teaching students to operate teams effectively and to operate effectively in teams. Despite this, we spend insufficient time focusing on this topic. Many of us have incorporated deliverables. However, it is not enough to require students to produce work in teams in order to graduate students with team skills (Williams and Anderson, 2008, p. 160).*

One aspects of management education long considered to be challenging is how to provide students with applied experiences that enhance their understanding of the concepts being studied (Randolph and Posner, 1979; Gosling and Mintzberg, 2006). One method of creating an organizational context as part of a college course is simulation through role playing, or analyzing written or video-clip case incidents. These techniques allow students to practice concepts and theories in hypothetical situations or in situations that others experienced in the past, and to build skill in their application.

Another approach is to create real organizations of students within the class and to assign them academic tasks. The tasks and related deliverables typically call for application of course concepts, so there is relevance of the task itself to content mastery objectives. Teams are expected to create aspects of organization such as allocating individual responsibility for portions of the overall task, creation of formal administrative structure, plans, and assessment mechanisms, and the opportunity to deal with leadership, motivation, social loafing, and emergent team culture and norms. To effectively accomplish the assigned task, students are expected to employ concepts covered in the course in order to improve their group's effectiveness and efficiency.

A further approach to applied learning in management is the internship which entails direct work experience in a business under academic supervision (Badawy, 1976; Raelin, 1997; Allen et al., 2009). While this approach is very powerful for the individual, it becomes challenging when applied to team projects since multiple students would need to be placed at one host organization and be assigned to the same project. Also, many universities restrict credit-bearing internships to upper division students so that the students will be academically prepared to apply theory in the organizational setting, and learning communities typically consist of first- or second-year students.

This paper will propose an additional approach for applied learning in management that creates a team context involving significant, meaningful work where students can become intrinsically motivated to work hard because

they are providing vitally needed services to peers in need.

### **Use of Community Service Learning Projects**

Using community service learning to enhance management education is an established practice (Kenworthy, 1996; Kolenko et al., 1996; Lamb et al., 1998; Madsen, 2004; Andrews, 2007; Govekar and Rishi, 2007). In the words of Bringle and Hatcher, service learning is "... a credit-bearing educational experience in which students participate in an organized service activity that meets identified community needs and reflect on the service activity in such a way as to gain further understanding of course content, a broader appreciation of the discipline, and an enhanced sense of civic responsibility" (1996, 222).

Social service agencies often face overwhelming demand for client services that could be performed effectively by traditionally-aged college undergraduate volunteers. The work performed is inherently worthwhile and would likely not be accomplished without volunteer effort. Matching meaningful projects with relatively large teams of students establishes an applied learning context for management education that can result in real tasks for the students that would benefit from proper application of management theory—team effectiveness would increase, client service would improve, and student work load would decrease if the effort was well-organized and led.

### **The Learning Community as a Facilitative Mechanism**

*An extremely popular choice for colleges nationwide is the adaption of a century-old college reform called "learning communities." Modern learning communities in community colleges typically last one semester, enroll between 20 and 30 first-year students together in two or three linked courses in which curricula are integrated and are loosely organized under an overarching theme and in which such pedagogical practices as active and collaborative learning, cross-disciplinary instruction and experiences are encouraged. The "theory of change" underlying learning communities posits that students in learning communities become more engaged in learning and in college life because they are more likely to interact socially and intellectually with the other students in their courses, form stronger relationships with faculty, and make connections across disciplines and between their academic and personal experiences. This increased social integration and intellectual engagement strengthens the motivation to pursue educational goals (Visher, et al, 2008, p. 2).*

Learning communities provide a combination of factors that facilitate the use of service learning to foster learning from team-based activities. First, students are enrolled as a cohort in multiple classes creating the contact time with teammates that aids in team formation. Second, in order to provide a curricular mechanism to enable applied, cross-disciplinary learning, learning communities often designate a project or a program within which multiple theoretical perspectives can be applied and a project or laboratory time block in every student's schedule. This project or laboratory time block allows for travel time to a client organization and the time for students to engage in meaningful activities at the client site.

### **Example: Building Leaders Learning Community**

To provide a specific example of a learning community that utilizes community service learning to develop team skills in students, the Building Leaders learning community will be examined. This learning community is among several offered to fulfill a second-year general education requirement at a small liberal arts college in New England. At this institution, learning communities consist of two academic courses from different disciplines tied to a third course that involves some type of applied learning integrating the content of both academic courses. Examples of learning communities that involve a business focus are corporate finance with intercultural communication tied to corporate visits and seminars with corporate leaders in China over spring vacation, international business with gender and communication tied to a seminar on the issues and coping mechanisms relating to women business professionals across cultures, and corporate finance with macroeconomics tied to a seminar in which students use the Bloomberg financial software to explore the effect of daily news on the performance of financial markets.

The Building Leaders learning community involves organizational behavior plus adolescent psychological

development tied to community service learning where teams of students design and implement programs for at-risk youth (based on the recommendations of Bartel, et al., 2001). The developmental psychology course provides a theoretical framework for students to understand both their own individual developmental path and the issues being faced by their clients. The organizational behavior course provides the theoretical framework of team development, leadership roles and processes, practical skills involving goal setting and meeting management, and includes applied learning activities that are typically used in courses of this nature such as role playing, case analysis, and team-based secondary research projects.

Team size for community service learning projects is 12 or 13 and the three-month project complexity is designed to be very challenging for second-year students. Together these factors tend to render informal approaches to team operation and management inefficient and ineffective. Meanwhile, students become aware of the importance of their efforts in the lives of their clients, and they become very intrinsically motivated to succeed in bettering their clients' lives. As they apply organizational behavior concepts to the structuring and operation of their team, they become more effective as a team and their own personal work load eases.

Final assessment in the learning community course consists of a reflective term paper where students are asked to evaluate the performance and productivity of their team using the theory of both academic courses, and to demonstrate their learning in the application of theory on their team. This type of assignment is considered a key element in the design of a learning community (Bringle & Hatcher, 1996; Felten, Gilchrist & Darby, 2006). Because the assignment is atypical for many students, a midterm reflection paper is used to both highlight the need to apply theory in the management of their team and to foster skill in self-reflection. The results of seven sections (26 students per section) of the course over five years are consistently positive, as measured by an assessment rubric based on course learning objectives. Results include a strengthened commitment to community involvement and service, effective application of the theory of the two academic courses, and increasing self-efficacy and self-reported skill improvement in oral presentation ability. Rather than relying on qualitative research methodology or on anecdotal evidence to measure the effectiveness of the learning community in fostering applied management learning, a questionnaire was created based upon team-effectiveness-related learning objectives.

### **Measures**

The questionnaire asked students to rate their ability on six learning objectives using a 5-point Likert scale. For example, the first item was "I am able to establish effective teams," and the extreme responses were "Strongly Agree" coded as 5 and "Strongly Disagree" coded as 1. The last two learning objectives relate to individual and team-based communication abilities and are included both because of their importance in the general education objectives at the institutional level and the critical need for effective communication skills in professional preparation for a career in business. Service learning has been identified as helping to develop communication skills (Tucker, et. al., 1998). These last two questions relate to perceptions of communication ability in general rather than focusing on oral and written communication ability separately.

Since the learning community constitutes part of the institution's general education program, two measures were used to assess students' capacity to deal effectively with ambiguity (Budner, 1962) and locus of control (Rotter, 1966). Both measures are considered to be related to ethical decision making (Chiu, 2003; Weisbrod, 2009) and to leadership (Anderson and Schneider, 1978; Huber, 2003).

### **Hypotheses**

For each of the eight learning objectives, self-reported achievement for learning community students was proposed to be greater than for the control group. Intolerance for ambiguity was proposed to be lower for learning community students than for the control group. Locus of control was proposed to be more internal for learning community students than for the control group.

## PARTICIPANTS

Students in two sections of the learning community (n=59) were invited to participate and 33 (56%) elected to do so in the pretest. A control group of randomly selected second-year students who were neither in the learning community nor in its component academic courses were invited to participate (n=200) and 33 (16.5%) responded in the pretest. Posttests were administered during the final exam period and 25 (76%) of participating learning community students responded versus 13 (39%) of the participating control group.

## Results

Table 1 provides the averages of responses for the learning objective items. Data were analyzed using a Student's t test for means with a one-tailed distribution. Significance of mean differences is indicated next to the treatment mean under the assumption of equal variances. Results must be taken with caution due to small sample size for the control group at the end of the semester.

Only one item possessed a significant difference between control and treatment groups in the measurement before the course, which is somewhat surprising since students self-select into learning communities and one would expect students possessing self-efficacy in leadership skills to enter the treatment group. Students were also asked prior to the course if they were committed to community service and no significant difference between treatment and control groups was identified. Self-reported improvement on learning outcomes for the treatment group are consistent with student performance on graded assignments within the course. All except the fifth item's scores for the control group decreased over the semester, and this item dealt with individual oral and written communication ability rather than team-related ability. Every average score for the treatment group increased over the semester and, at the end of the course, mean responses for treatment group on course learning objectives were all significantly greater than averages of the control group.

**Table 1: Learning Objective Outcomes**

	Pre-test Average		Post-test Average	
	Control	Treatment	Control	Treatment
1. I am able to establish effective teams	3.97	4.00	3.62	4.64***
2. I am able to deal with conflict situations in teams.	3.91	4.03	3.85	4.52**
3. I am able to help teams reach decisions with a high degree of agreement in the team.	3.91	4.21*	3.85	4.52***
4. When working in teams, I am able to utilize the talents of myself and others to accomplish the task.	4.27	4.33	3.85	4.56*
5. I am able to influence other in the way that I communicate in writing and speaking.	4.15	3.85	4.31	4.68*
6. I am able to work effectively with a team of others to create written reports and to conduct oral presentations that are professional in quality and that influence the audience.	3.82	3.88	3.77	4.44**
Group size (n)	33	33	13	25

Notes:

\*-Indicates significance at the 5% level)

\*\* - Indicates significance at the 1% level

\*\*\* - Indicates significance at the 0.1% level

Table 2 provides the results of analysis on the intolerance for ambiguity measure (Budner, 1962). Reported average score by Budner (p.34) was approximately 49, so both control and treatment groups were relatively intolerant of



ambiguity. Both groups became less intolerant of ambiguity over the semester, but no significant differences were found between learning community and control groups. Data were analyzed using a Student's t test for means with a one-tailed distribution.

**Table 2: Intolerance for Ambiguity Outcomes**

	Pre-test Average		Post-test Average	
	Control	Treatment	Control	Treatment
Mean Intolerance Score	57.12	59.62	56.64	57.70
Group size (n)	32	32	11	23
Mean of Change in Intolerance Score, Post-Pre			-2.45	-2.23
Group size (n)			11	22

Notes:

16 item scale (1-7) with scores 16-112; higher numbers indicate greater intolerance for ambiguity

\*-Indicates significance at the 5% level

\*\* - Indicates significance at the 1% level

\*\*\*- Indicates significance at the 0.1% level

Table 3 provides the results of analysis on the locus of control measure (Rotter, 1966). No significant differences were found in pre-course data, but significant differences were found at the 5% level both when analyzing total scores and incremental changes between pre- and post-data for individuals in both groups. Again, significance of mean differences is indicated next to the treatment mean under the assumption of equal variances.

**Table 3: Locus of Control Outcomes**

	Pre-test Average		Post-test Average	
	Control	Treatment	Control	Treatment
Mean Locus of Control Score	5.00	5.03	6.08	4.74*
Group size (n)	33	32	13	23
Mean of Change in Locus of Control Score, Post-Pre			1.54	-.17*
Group size (n)			13	23

Notes:

13 item scale (0-1) with scores 0-13; higher scores indicated greater external locus of control

\*-Indicates significance at the 5% level

\*\* - Indicates significance at the 1% level

\*\*\*- Indicates significance at the 0.1% level

## CONCLUSIONS

This paper has focused on self-reported data on mastery of course learning objectives related to team formation and operation skills, and results indicate a strengthening of self-efficacy related to these skills. Locus of control became more external for the control group and less external for the learning community group as was hypothesized, and the difference was significant at the 5% level. These results suggest that the impact of the educational experience increases self-efficacy of the students' capacity to respond to challenges in their environment despite students' discomfort in confronting the challenges. This outcome would indicate students (all of whom were of traditional undergraduate age) were taking on behaviors that they found discomforting in order to perform more effectively, and that they perceived that they were successful. This is precisely what the pedagogy was designed to facilitate.

## REFERENCES

- Allen, S., Wachter, R., Blum, M. and Gilchrist, N. (2009) Incorporating industrial kaizen projects into undergraduate team-based business internships. *Business Education Innovation Journal*, 1(1), 22-31.
- Anderson, C.R. and Schneier, C.E. (1978) Locus of control, leader behavior and leader performance among management students. *Academy of Management Journal*, 21(4), 690-698.
- Andrews, C.P. (2007). Service learning: Applications and research in business. *Journal of Education for Business*, 82, 19-26.
- Badawy, M.K. (1976). The management clinic: Meeting the challenge of relevancy in management education. *Academy of Management Review*, 1(4), 129-133.
- Bartel C.A., Saavedra, R., and Van Dyne, L. (2001). Design conditions for learning in community service contexts. *Journal of Organizational Behavior*, 22(4), 367-385.
- Bringle, R.G. and Hatcher, J.A. (1996). Implementing service learning in higher education. *The Journal of Higher Education*, 67(2), 221-239.
- Budner, S. (1962). Intolerance of ambiguity as a personality variable. *Journal of Personality*, 30, 29-50.
- Chiu, R.K. (2003). Ethical judgment and whistleblowing intention: Examining the moderating role of locus of control. *Journal of Business Ethics*, 43(1), 65-74.
- Felten, P., Gilchrist, L.Z., and Darby, A. (2006). Emotion and learning: Feeling our way toward a new theory of reflection in service-learning. *Michigan Journal of Community Service Learning*, 12(2), 38-46.
- Gosling, J. and Mintzberg, H. (2006). Management education as if both matter. *Management Learning*, 37(4), 419-428.
- Govekar, M.A. and Rishi, M. (2007). Service learning: Bringing real-world education into the B-school classroom. *Journal of Education for Business*, 82, 3-10.
- Huber, N. (2003). An experiential leadership approach for teaching tolerance for ambiguity. *Journal of Education for Business*, 79(1), 52-55.
- Kenworthy, A.L. (1996). Linking business education, campus culture and community: The Bentley service-learning project. *Journal of Business Ethics* 15, 121-131.
- Kolenko, T.A., Porter, G., Wheatley, W., and Colby, M. (1996). A critique of service learning projects in management education: Pedagogical foundations, barriers and guidelines. *Journal of Business Ethics*, 15, 133-142.
- Lamb, C.H., Swinth, R.L., Vinton, K.L., and Lee, J.B. (1998). Integrating service learning into a business school curriculum. *Journal of Management Education*, 22(5), 637-654.
- Madsen, S.R. (2004). Academic service learning in human resource management education. *Journal of Education for Business*, 79, 328-332.
- Raelin, J.A. (1997). A model of work-based learning. *Organizational Science*, 8(6), 563-578
- Randolph, W.A. and Posner, B.Z. (1979). Designing meaningful learning situations in management: A contingency, decision-tree approach. *Academy of Management Review*, 4(3), 459-467.
- Rotter, J.B. (1966). Generalized expectancies for internal versus external control of reinforcement. *Psychological Monographs*, 80(1), 1-28.
- Tucker, M.L., McCarthy, A.M., Hoxmeier, J.A., and Lenk, M.M. (1998). Community service learning increases communication skills across the business curriculum. *Business Communication Quarterly*, 61(2), 88-100.
- Visher, M.G., Wathington, H., Richburg-Hayes, L., and Schneider, E. (2008). *The learning communities demonstration: Rationale, sites, and research design*. National Center for Postsecondary Research Working Paper.
- Weisbrod, E. (2009). The role of affect and tolerance of ambiguity in ethical decision making. *Advances in Accounting, Incorporating Advances in International Accounting*, 25, 57-63.
- Williams, S.K., and Anderson, J. S. (2008). Teams lab: Promoting effective teamwork in operations management classes. *Decision Sciences Journal of Innovative Education*, 6(1), 159-166.

**James B. Lee**, Ph.D., is a professor of business administration at Stonehill College. His doctoral degree is from The University of Arizona. He teaches organizational behavior, leadership and strategic management. He holds two national teaching awards: the Leavy Award for Excellence in Private Enterprise Education and the Decision Sciences Institute's Innovative Education Award.

# Designing Effective Team Assignments: Kolb's Learning Cycle modified by the 4 S Method

Linda Lynam, University of Central Missouri – Warrensburg, Missouri, USA  
Mary McCord, University of Central Missouri – Warrensburg, Missouri USA  
Larry Michaelsen, University of Central Missouri – Warrensburg, Missouri USA

## ABSTRACT

This paper gives an overview and several examples of how to design effective team assignments for Information Technology/Information Systems (IT/IS) Management related courses. We modify the Kolb learning cycle, which is intended to explain individual learning, to a model that explains group learning by adding activities from a method for designing team assignments called the '4 S's'. This method of designing team assignments can be used independently in any curriculum but is especially effective when integrated into an experiential learning course. First, the paper will give an overview of Kolb's Cycle of Learning (1984), which has 4 stages; 1) Concrete Experience, 2) Reflective Observation, 3) Abstract Conceptualization and 4) Active Experimentation. Next, the 4 S method of creating effective team assignments is explained. To be effective, the team assignments must meet conditions: 1) Significant Problem, 2) Same Problem, 3) Specific Choice and, 4) Simultaneous Report. Each of Kolb's learning steps relates to a particular condition from the 4 S method, and the two are integrated. Finally, examples of effective assignments using the 4 S's for information systems are given.

## INTRODUCTION

Educators face an increasingly difficult task in preparing students for today's Information Technology and/or Information Systems (IT/IS) jobs. The foundation must ensure that students master tasks as individuals such as programming and logical design. However, the reality of IT/IS jobs requires that students must also be prepared to deal with increasingly complex design projects and work in teams made up of peers who come from many different business disciplines and bring the requirements of multiple organizational functions. As a result, IT/IS educators must design their courses to give students experience working in teams and on problems that reflect the complexity of the business environments in which they will be employed.

Lecture-based IT courses expose students to the conceptual foundation that students need, but don't assure that students either retain the course knowledge or that they can actually apply what they have learned to solve the kinds of problems they will face in their future jobs. Experiential education, by contrast, is a process through which a learner constructs knowledge, skill, and value from direct experience (Luckman, 1996, p. 7). 'Experiential learning' is often used to refer to a structured learning sequence which is guided by a cyclical model of experiential learning. Kolb and Fry (1975) suggest that the learner can enter the cycle at any point and that most learning occurs in unstructured situations - something described in everyday language as 'learning from experience' (Atherton, 2002). Integrating experiential learning with team assignments using the 4 S's is ideally suited for teaching technology oriented management classes such as Management of Information Systems, Analysis and Design, or E-Commerce, in which students must go beyond passing the content exams and develop the ability to work effectively as a member of an interdisciplinary team and apply IT/IS concepts to solve complex business problems. To be effective, the team assignments must meet the four S conditions: 1) Significant Problem, 2) Same Problem, 3) Specific Choice and, 4) Simultaneous Report.

Kolb's learning cycle theory was designed for individual tasks and individual learning, but has never been used to explain the process of group work. This paper gives a structured approach for designing group tasks that enables teams to pass through each of the stages in Kolb's learning cycle.

The purposes of this paper are to outline Kolb's Cycle of Learning (1984), integrate each of its stages with the conditions created by using the 4 S approach for designing team assignments, and show how the 4 S assignment-design principles can be applied in developing IT/IS management oriented team assignments. We use Kolb's theory for individual learning to provide a conceptual rationale for the 4 S approach to designing group assignments. Using both, we can see how and why the method consistently addresses problems with group learning and motivation. To be practical and meaningful, we will use management of information systems business classes as examples throughout.

## EXPERIENTIAL LEARNING THEORY

Experiential education is a process through which a learner constructs knowledge, skill, and value from direct experience (Luckman, 1996, p.7). Based on the idea that direct involvement enhances students' learning, experiential education addresses student problems with learning and motivation (Rogers, 1969).

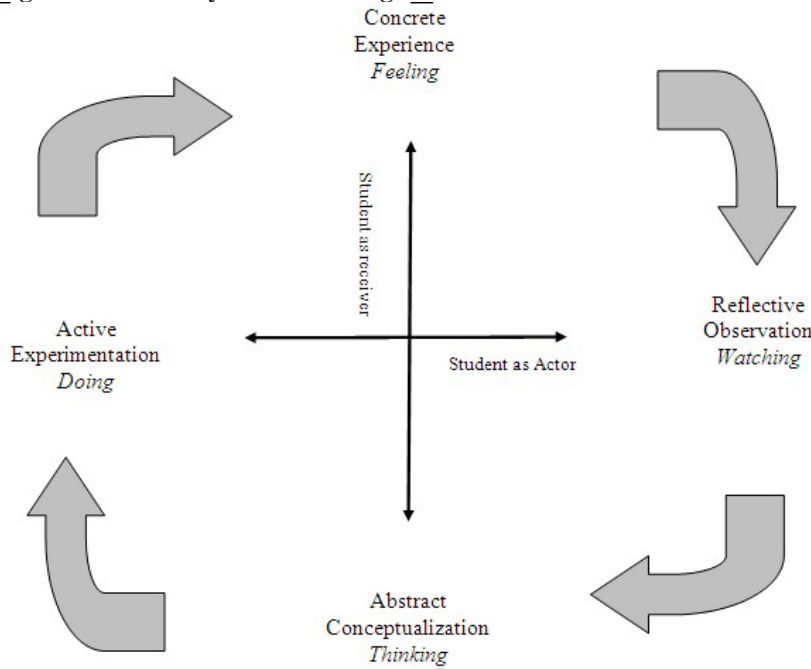
Kolb's Cycle of Learning (1984) supports the importance and impact of experience in learning. The cycle begins with a concrete experience – a particular action is carried out. The learner then reflects on the experience (reflection observation), draws conclusions (abstract conceptualization) and finally enters a phase of active experimentation where ideas and conclusions are tested. For example, a programmer learns the concepts of computer language syntax and procedure in the classroom, which is *abstract conceptualization*. The concepts put into *active experimentation* by trying to code a program and debugging their code. Eventually, the learner has a working program, and the *concrete experience* of watching it run and execute commands. Afterwards, the student reflects on the usefulness and purpose of the output (*reflective observation*), and the cycle begins again.

Many empirical studies have found that experiential learning increases student's ability to transfer knowledge and skills from the classroom to the real world (Cantor, 1995; Cranton, 1989; Knowles, 1970). Knowles' (1984) supports the motivational advantages of experiential learning. His work on self-directed learning theory suggest that adults have a preference for experiential and task centered learning. Other studies of experiential learning found increased student satisfaction and motivation (Acosta, 1991; Baslow & Byrne, 1993; Cantor, 1995).

In our study, the focus is on the type of task that groups are asked to perform. The learning task is represented by the axes of the figure one, below. The vertical axis represents the range of **input** of information from *concrete experience* to *abstract conceptualization*. Svinicki and Dixon (1987) reframed this axis as "student as receiver". The horizontal axis represents the **processing** of information, as a range from *active experimentation* to *reflective observation*. Svinicki and Dixon reframed this axis as "student as actor".

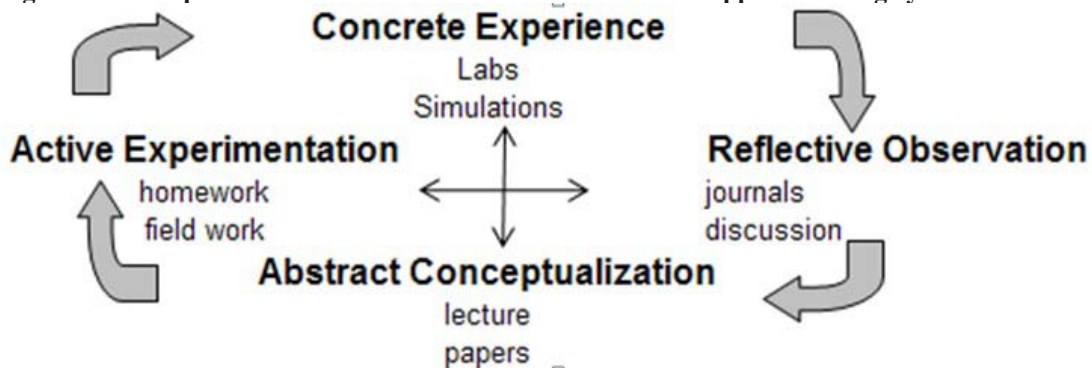
Kolb's Cycle of Learning with Svinicki and Dixon's axes for student tasks is shown in Figure 1, below.

**Figure 1: Kolb's Cycle of Learning with Student Tasks**



Svinicki and Dixon (1994) went further, and suggest individual tasks/activities that support Kolb's cycle of learning. Their practical suggestions and activities for concrete experiences include fieldwork, poetry reading, laboratory experiments, and games. Journal writing or class discussion leads to reflective observation on those experiences. Abstract conceptualization occurs when students apply and tests ideas in papers, projects, and model building. Finally, more case study, field, laboratory or simulation work facilitates active experimentation, where the content is applied. Some examples from Svinicki and Dixon's addition of classroom activities to Kolb's model is given below in Figure 2.

**Figure 2: Examples of individual instructional activities that support learning cycle**

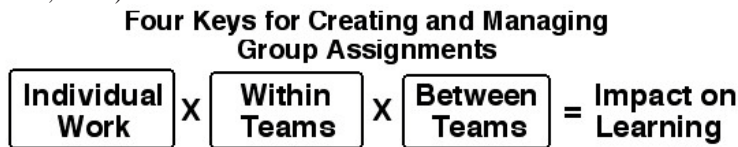


In a similar way, this paper uses Kolb's cycle of learning to apply group activities that meet specific conditions (the '4 S's') for experiential team learning and development. By integrating the 4 S's of effective team assignments an instructor will take teams through all 4 stages of Kolb's learning cycle, and consistently produce assignments that motivate the team and provide the opportunity to learn in group settings.

## THE 4 S'S OF TEAM ASSIGNMENTS

No matter the type of technical content being taught (programming, networking, computer science, managing IS, etc.) the 4 S's can be used to create assignments that both create accountability and foster discussion, and, in combination, constitute guidelines for creating and implementing effective group assignments. These are: 1) assignments should always be designed around a problem that is significant to students, 2) all of the students in the class should be working on the same problem, 3) students should be required to use course concepts to make one or more specific choices, and 4) groups should simultaneously report their choices (Figure 2). Further, these procedures apply to all three stages of effective group assignments—individual work prior to group discussions, discussions within groups, and whole-class discussion between groups. The “4 S's” are explained in the following paragraphs.

**Figure 3: Four Keys for Creating and Managing Group Assignments** (Michaelsen, Parmelee, McMahon and Levine, 2008)



**To obtain the maximum impact on learning, assignments at each stage should be characterized by "4's":**

- o **Significant Problem.** Individuals/groups should work on a problem that is significant to students.
- o **Same Problem.** Individuals/groups should work on the same problem, case or question.
- o **Specific Choice.** Individuals/groups should be required to use course concepts to make a specific choice.
- o **Simultaneous Report.** Whenever possible individuals and groups should report their choices simultaneously.

### Significant problem

Effective assignments must capture students' interest. Unless assignments are built around what students see as an interesting and/or relevant problem, most students will view what they are being asked to do as “busy work” and will put forth the minimum effort required to get a satisfactory grade. Integrating the 4 S's with Kolb's cycle, the “concrete experience” stage aligns with giving each team a significant problem, one that will create a true, concrete experience in the form of a decision or action.

In Management of Information Systems one of the greatest challenges is convincing non-technical students that the subject is of value. In this case, a properly formed group assignment is an opportunity to emphasize the connections between technical and non-technical business issues that will relate to a student of any major. For example, making a website will more likely be perceived as significant if the information related to the assignment is part of a real-life case.

### Same problem

One of the essential characteristics of an effective group assignment is the necessity for discussion both within and between groups. It is through such discussions that students receive immediate feedback regarding the quality of their own thinking both as individuals and teams. In order to facilitate such an exchange, groups must have a common frame of reference. That commonality is derived from working on the same problem. Unless everyone is working on the same problem there is no basis for comparison, first between group members, and then between groups. Further, having everyone work on the same problem provides a basis for students to learn from both giving feedback on their peers' choices and receiving peer feedback on their own thinking. Kolb's “active

experimentation” stage applies, since groups take the action of making a decision, knowing that their methods of arriving at conclusions will be examined and dissected by other, dissenting groups. Often groups consider several options, choosing between best and second best in a series of active decisions.

### **Specific choice**

As previously discussed, cognitive research shows that learning is greatly enhanced when students are required to engage in higher level thinking. In order to challenge students to process information at higher levels of cognitive complexity, we must provide them with assignments that create those challenges.

In general, the best activity to accomplish this goal is to word the assignment in such a way that students are required to use course concepts to make a specific choice that “makes sense” out of a complex problem situation—in much the same way as a jury must sift through a large set of issues to come to a verdict of guilty or not guilty. Kolb described this stage as the ‘abstract conceptualization’ stage of learning. Teams incorporate this stage into their specific choice by taking course concepts and theories, and making models and decisions. We will provide both several examples of “make-a-specific-choice” assignments and a rationale as to why they work so well in promoting both student learning and team development.

### **Simultaneous reports**

Once groups have made their choices, they can share the result of their thinking with the rest of the class in one of two ways: sequentially or simultaneously. One significant disadvantage of sequential reporting is that the initial response—even if incorrect—often produces “answer drift” (Sweet, Michaelsen & Wright, 2009) because later-reporting teams tend to slant their presentation to emphasize areas of agreement with information that is already on the table. When this happens, the entire burden for providing feedback falls on the shoulders of the teacher and students lose the opportunity to learn from both challenging and from being challenged by their peers.

On the other hand, requiring groups to simultaneously reveal their answers virtually eliminates answer drift. When teams are required to make simultaneous public commitment to a specific choice increases both learning and team development because each team is: 1) accountable for their choice, 2) motivated to defend their position and, 3) the more difficult the problem, the greater the potential for disagreements that are likely to prompt give-and-take discussion between the groups. For example, in a recent study using clickers for simultaneous report after group discussion, there was a significant increase in correct answers and student gains in conceptual understanding (Smith, Wood, Adams, Wieman, Knight, Guild, Su, 2009). Deep discussion between groups allows all groups to simultaneously touch on the ‘reflective observation’ stage of Kolb’s cycle.

### **EXAMPLES OF IT/IS ASSIGNMENTS USING THE 4 S’S.**

The following exercises supplement the concrete experience of academic reading and lecture. Cash Flow and inventory tracking simulations stimulate class discussion (reflective observation) and apply and test ideas via role-playing and model building (abstract conceptualization). The discussion, physical movement and observable results provide the missing link of active experimentation to complete the Cycle of Learning.

*Cash Flow and Breakeven Analysis Assignment.* In a course taught using Team Based Learning (TBL), students are divided into groups as described above and then four groups are combined to form a company. *Same problem:* Each company completes a cash flow and breakeven analysis using Excel to demonstrate how they will sell and account for a product. To avoid the work being assigned out to a just a few students, each group was required to complete the financial statements. All groups were given the same bare bones financial statement as well as instruction on how to calculate financial ratios.

This assignment is *significant* to the students because they actually do form a company and sell a product in the context of the Integrative Business Experience (IBE) program (Michaelsen & McCord, 2006). They acquire a real

bank loan and must present their financial information to a loan officer and all students are present during the presentation. All students are working on the *same* problem *simultaneously* using class time. *Specific choice*: The company selects the most complete and accurate financial statement for use in a presentation to a panel of bankers to persuade them to provide the capital for their IBE start-up company.

*Nanotechnology Project*. Not all of a Management Information Systems course is about what is going on in current business practice. One unit looks at future uses of information technology. A fun break from the purely business aspect of the course is to explore current and future uses of nanotechnology. The four S's were implemented as follows: *Significant*: the textbook covers nanotechnology and the exam will have a question on it. The hands-on involvement of the students in exploring the technology makes studying the concept come to life and aids in concept retention. *Same assignment*: each individual student explored a use of nanotechnology and submitted their work for individual grading. The groups then decided on a *specific choice*, the most interesting and/or promising technology to explore as a group. *Same problem*: The groups then created a poster highlighting assigned features of their technology and attached research to support their claims. *Simultaneous report*: The posters contained no identifying marks to indicate which group had prepared it. The posters were displayed around the classroom and all groups examined the posters at the same time. Groups were directed to examine each poster and evaluate the claims made on each. Groups then decided which poster contained the most exaggerated claim and the most undervalued claim and posted questions about those claims next to the appropriate poster. Groups also gave a team score for the clarity, level of impact and insight of each groups' poster. The final step required groups to answer the questions posted to their technology poster and support the claims they had made on their poster. The professor compiled the team scores and evaluated the ability to orally support their claims to assign a grade for the assignment.

*In-Class Activities*. In addition to group projects, the 4 S's can be used to energize the classroom. Instructors and students can become bored with typical lecture-style delivery. Inserting a 4 S activity to reinforce the material can bring energy and enthusiasm to a topic that might otherwise not be very exciting. *Significant*: The students are creating a company that actually sells products as part of the course. By understanding the difference between primary and secondary activities, they are equipped to divide labor within their groups to best serve the needs of the company and customers. *Same problem*: One example is applying Porter's Value Chain (Porter, 1998) in a way that is fun and engages the students. The class is divided into two or three groups, depending on class size and is told to imagine they are a company specializing in t-shirt sales. Each group is given a set of jobs that is found in the company such as salesperson, president, webmaster, warehouse worker, accountant, etc. Each job is printed on a different sheet of paper in large enough type to be seen from a distance. The papers are distributed to group members. *Specific choice*: Each group is instructed to decide which of the jobs are classified as primary activities according to Porter's model. *Simultaneous report*: After a few minutes of discussion, students holding jobs that the group classified as primary are instructed to stand. Groups look at what the other groups classified as primary and compare it to their own classification. The class then discusses why some jobs are primary and others are not.

Another example of using the 4 S's in class is determining the difference between push-based and pull-based supply chain models. *Significant*: Since students are working with selling a product and dealing with customer expectations, understanding how much a company can change the product for individual customers is valuable. They can understand how much flexibility, if any, they have to adapt their product for individual customers which give them better preparation for working in different types of businesses after graduation. *Same problem*: Groups are asked to write down three examples of a push-based model and three examples of a pull-based model and give the examples to the instructor. *Specific choice*: Groups are then given two different colored sheets of paper, one with "pull" written on it and the other with "push". The instructor quickly creates a PowerPoint presentation of the different examples provided by the students. *Simultaneous report*: As the slides are displayed, the groups quickly confer and hold up their paper indicating the model they have selected. If groups are not unanimous in classifying the model, the groups defend their selection.

How decisions are made and determining if the decision making process is structured or unstructured lends itself to an in class 4 S activity. *Same problem*: Kevin McKean's (1985) military decision scenario is used. The first



scenario states “Threatened by a superior enemy force, the general faces a dilemma. His intelligence officers say his soldiers will be caught in an ambush in which 600 of them will die unless he leads them to safety by one of two available routes. If he takes the first route, 200 soldiers will be saved. If he takes the second, there a one-third chance that 600 soldiers will be saved and a two-thirds chance that none will be saved. Which route should he take?” *Specific choice:* Groups have a few minutes to decide which route is best, and whether the decision fall under the category of structured, unstructured, or semi-structured decision making. *Simultaneous report* Upon request, all hold up a card indicating which option they selected. Discussion follows to explore why different options were selected. Then McKean’s second scenario is presented and the process repeats with an additional group task. The scenario is “A military person has to choose between two escape routes. Her aides tell her that if she takes the first, 400 soldiers will die. If she takes the second, there is a one-third chance that no soldiers will die and a two-thirds chance that 600 soldiers will die. Which route should she take?” In addition to choosing a decision and the type of decision structure, the groups are asked “Is the decision TYPE Senior Mgt, Middle Mgt, operational Mgt, or Individual-level decision making?”

*Significant:* A very heated discussion usually follows about why the decision making process was structured or unstructured. Mathematically, there is no difference in the outcome of the decision options, and the decision is structured. But, because it is a life/death scenario, students become very invested in taking a non-structured approach. This activity is significant not only because most Management Information Systems textbooks include material on decision making, but because students are so invested in choosing a qualitative, rather than quantitative approach to solving the decision, therefore bypassing information system decision-making programs. By putting decision making in a real-world, life-and-death framework, students will pay more attention to the reasons and methods of different decision making techniques.

As we apply the 4 S’s to Kolb’s cycle, the following table emerges:

**Table 1: 4 S’s to Kolb Table**

Kolb’s Stage in Learning Cycle	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
4 S Design Principle	Significant Choice	Simultaneous Report	Specific Choice	Same Problem
<b>Examples of IT/IS Assignments</b>				
Cash Flow and Breakeven Analysis	Must procure loan for start-up	Loan presentation and feedback	Feasibility of cash flow	Create cash flow, breakeven and ratios
Nanotechnology Project	Nanotechnology examples that change the world	Poster/Gallery Walk	Nanotechnology with most impact	Use of nanotechnology and impact in future
Porter’s Value Chain	Groups determine how to line up by job type/title	Students compare job title on signs and discuss	Primary vs. support jobs, order of job in chain	Choose primary and support jobs using value chain
IT/IS Supply Chain Model	Give three examples of push vs. pull supply chain	Group hold up card with “push” or “pull”	Choose if example is “push” or “pull”	Must choose on all other and on their own examples

## CONCLUSION

Teams have become an important part of IT/IS education, but their use, especially with IT/IS management assignments, are not always positive for either the instructor or the students. By using Kolb's modified learning cycle and assignments that are characterized by the "4 S's", instructors can deepen students' learning and promote the development of high-performance learning teams. In addition, these types of application-based assignments increase student motivation and create the opportunity to engage in give and take discussion. With properly designed assignments, the final result is increased learning and retention, as well as higher satisfaction for students and a much greater sense of accomplishment for instructors.

## REFERENCES

- Acosta, V. (1991). Integrating Experiential Learning and Critical Inquiry in Health Education. Paper presented at the annual meeting of the American Educational Research Association, Chicago.
- Atherton J. S. (2002). Learning and Teaching: Learning from experience [On-line]: UK: Available: <http://www.learningandteaching.info/learning/experience.htm> Accessed: 20 July 2007
- Baslow, R., & Byrne, M. (1993). Internship Expectations and Learning Goals. *Journalism Educator*, 47(4), 48-54.
- Cantor, J. (1995). *Experiential Learning in Higher Education: Linking Classroom and Community*. (Report No. 7). Washington, DC: The George Washington University, Graduate School of Education and Human Development.
- Cranton, P. (1989). *Planning Instruction For Adult Learners*. Toronto, Canada: Wall & Thompson.
- Knowles, M. (1977). *The Modern Practice of Adult Education: Andragogy Versus Pedagogy*. New York: Association Press.
- Knowles, M. et al (1984). 'Andragogy in Action'. *Applying modern principles of adult education*, San Francisco: Jossey Bass.
- Kolb, D. A. and Fry, R. (1975). 'Toward an applied theory of experiential learning', in C. Cooper (ed.) *Theories of Group Process*, London: John Wiley.
- Kolb D.A. (1984). *Experiential Learning experience as a source of learning and development*, New Jersey: Prentice Hall
- Luckman, C. (1996). 'Defining Experiential Education'. *The Journal of Experiential Education*, 19(1), 6-8.
- McKean, K (1985). 'Decisions'. *Discover* (Chicago, Ill.) (0274-7529), p. 25.
- Michaelsen, L.K., Knight, A. & Fink, L.D. (2004). *Team-Based Learning: A Transformative Use of Small Groups in College Teaching*. Stylus: Sterling, VA, 2004.
- Michaelsen, L.K. & McCord, M. *Teaching Business by Doing Business: An Interdisciplinary Faculty-Friendly Approach*. In *To Improve the Academy: Resources for Faculty, Instructional and Organizational Development*. Robertson, D. & Nilson, L. (Eds.). Boston, MA: Anker, 2006, p. 238-253.
- Michaelsen, L.K., Parmalee, D.X., Levine, R. & McMahon, K.K. (2008). *Team-Based Learning in Health Professions Education*. Stylus: Sterling, VA, 2008.
- Porter, M.E. (1998). *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. Free Press.
- Rogers, C.R. (1969). *Freedom to Learn*. Columbus, OH: Merrill.
- Smith, M.K., Wood, W.B., Adams, W.K., Wieman, C., Knight, J.K., Guild, N., Su, T.T. (2009). 'Why Peer Discussion Improves Student Performance on In-Class Concept Questions'. *Science*, Vol. 323, 122-123 (2 January 2009).
- Sweet, M. (2007). 'Forming Fair Groups Quickly' in Michaelsen, L.K., Parmalee, D.X., Levine, R. & McMahon, K.K. *Team-Based Learning in Health Professions Education*. Stylus: Sterling, VA, 2007.
- Sweet, M., Michaelsen, L., and Wright, C. *Simultaneous Report: A Reliable Method to Stimulate Class Discussion*. *Decision Sciences Journal of Innovative Education*, 6(2) 2009.
- Svinicki, Marilla D.; Dixon, Nancy M. 1987. 'The Kolb Model Modified for Classroom Activities'. *College Teaching*, v35 n4 p141-46 Fall 1987
- Svinicki, M., & Dixon, N. (1994). 'The Kolb Model Modified For Classroom Activities'. In K. Feldman & M. Paulsen (Eds.), *Teaching and Learning in the College Classroom* (pp. 307-315). Needham Heights, MA: Simon and Schuster Custom Publishing.

**Linda Lynam** is Instructor of Computer Information Systems at University of Central Missouri. Before beginning her academic career, she has been an accountant and a small business owner. Previous research has been in the area of innovative methods of teaching computer applications for business majors. She teaches the computer applications courses for business majors and the Management Information Systems portion of the Integrative Business Experience program which incorporates team-based learning methods into classroom and service learning experiences.

**Mary McCord** is Professor of Management at University of Central Missouri. After an entrepreneurial career in oil and gas production, she received her Ph.D. in Business Administration from the University of Oklahoma. Her research areas include entrepreneurship and social entrepreneurship, service learning, and team-based learning (resulting in publications in *JITTA*, *Journal of Informatics Education Research*, *MBAR Journal* and *Team-Based Learning: A Transformative Use of Small Groups*). She is currently teaching Management of Organizations through the Integrative Business Experience program, which combines team-based learning methods and service-learning with real world business experience.

**Larry K. Michaelsen** (Ph.D. in Organizational Psychology from The University of Michigan) is David Ross Boyd Professor Emeritus at the University of Oklahoma, Professor of Management at the University of Central Missouri, a Carnegie Scholar, a Fulbright Senior Scholar (three awards) and, former Editor of the Journal of Management Education. He is active in faculty and staff development activities and has conducted workshops on teaching effectively with small groups in a wide variety of university and corporate settings. Dr. Michaelsen has also received numerous college, university and national awards for his outstanding teaching and for his pioneering work in two areas. One is the development of Team-Based Learning, a comprehensive small-group based instructional process that is now being used in over 150 academic disciplines and on over 200 schools in the US and in 27 foreign countries. The other is an Integrative Business Experience (IBE) program that links student learning in three core courses to their experience in creating and operating an actual start-up business whose profits are used to fund a hands-on community service project.

# **Business Students' Perceptions towards Environmental Sustainability: Is it a Legitimate Business Issue?**

Kathleen Dale, Minnesota State University – Mankato, Minnesota, USA

Bradley W. Mayer, Lamar University – Beaumont, Texas, USA

Marilyn Fox, Minnesota State University – Mankato, Minnesota, USA

## **ABSTRACT**

In this study, we investigated the extent to which business students perceived environmental sustainability to be an important (legitimate) business issue. The results of this study suggest that exposing business students to environmental management (EM) concepts increases their perception of EM being a legitimate business issue. In particular, students reported that studying EM, practicing EM in decision making, and the extent to which they perceived sustainability to be important to executives were all associated with perceptions of EM legitimacy. Implications and directions for future research are discussed.

**Keywords:** business education, environmental, social responsibility, sustainability

## **INTRODUCTION**

Environmental sustainability, as one dimension of corporate social responsibility, is becoming an increasingly important component in the management of organizations, as well as in business management education (Rands, 2009; Russo & Fouts, 1997). Sustainability is generally defined as the continued improvement of business operations to ensure long-term resource availability (Friedman, 2008). Simply stated, it's important to leave the earth the way we found it so that others can enjoy it in the future (Thomas, 2005).

Considering the scope and magnitude of environmental threats such as toxic pollution to water and air, global climate changes, and trying to meet the expectations of stakeholders and society at large, business leaders must commit to improving their performance and implementing the appropriate corporate strategies to be environmentally sound and economically profitable (Bunch, 1999; Chen, 2008b; Rugman & Verbeke, 1998).

Practicing environmental management has been found to have a positive influence on long-run profitability (Fittipaldi, 2004; King & Lennox, 2001; Lanoie & Tanguay, 2000) and corporate competitive advantage (Chen, 2007a). Furthermore, firms that practice environmental management not only have the potential to minimize production waste and increase productivity, but may also be able to charge relatively higher prices for green products and improve their corporate images (Berry & Rondinelli, 1998; Chen, Lai, & Wen, 2006; Porter & van der Linde, 1995; Shrivastava, 1995). Although voluntary in nature, societal expectations do exist for business' to assume social roles not mandated by law (Lussier, 2008). These expectations are referred to as discretionary responsibilities and are about a firm making social choices not required by economics or law. These discretionary responsibilities rely on the individual leader's judgment and choices. Thus, there is a special need for business leaders to possess the requisite knowledge and skill levels to positively affect their organization's environmental efforts. In order to meet this need, a central focus of business schools and management education should be to prepare our future managers and leaders to make informed decisions concerning environmental issues (Pesonen, 2003). This is especially true considering management possesses a fair amount of discretion when it comes to setting priorities and channeling resources as they make decisions for the organization.

Recently, there has been a significant increase in the number of research studies that have examined sustainability and the possible negative impact that some business practices can have on the environment. There have also been several manuscripts published that detail how environmental sustainability has been integrated into the management

education curriculum (Benn and Dunphy, 2009; Lussier, 2008; Rands, 2009). Interestingly though, there is a limited body of scholarly work on the perceptions and attitudes of business students toward environmental management. Are business schools training and graduating future business leaders who are likely to exhibit concern for environmental management? The main focus of our exploratory study is to answer that question, but also to explore the following questions: Is there a relationship between how much a student has studied environmental management (EM) and practiced making decisions involving environmental sustainability and the extent to which they perceive environmental sustainability to be an important business issue? If students perceive sustainability to be an important issue to employers, does this impact the importance of sustainability to them? Finally, is there a relationship between student's studying environmental management and discretionary attitudes towards environmental sustainability?

## REVIEW AND HYPOTHESES DEVELOPMENT

Over the past 6 years, *The Journal of Teaching in International Business* and the *Journal of Management Education* have published special issues and various other articles that focus on drawing attention to environmental issues in business education. More specifically, studies have provided conceptual frameworks, identified critical skills, offered pedagogical approaches, reported case studies on how to design courses, prescribed what methods to use, and suggest a variety of activities and exercises to incorporate into the curriculum in order to effectively integrate sustainability issues into current courses (e.g., Egri and Rogers, 2003).

As business schools have begun to integrate environmental sustainability into their curricula, the question has been raised as to whether the topic has achieved legitimacy among students as being an important business issue (Springett and Kearins, 2001; Thomas, 2005). Legitimacy is defined as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, beliefs, and definitions" (Suchman, 1995, p. 574). Research indicates that environmental education does increase sensitivity to environmental issues among business students, but enhanced sensitivity doesn't necessarily mean that a student will consider environmental management to be an important practice for the success of the firm (Cordano, Ellis & Sherer, 2003). Rands (2009) suggests that it is essential for an individual to have pro-environment preferences in order to be motivated to actually apply the knowledge, skills, and behaviors learned in business education. To put it another way, in order to integrate sustainability into managerial decision-making processes, students must see it as a legitimate business issue (Thomas, 2005).

The legitimacy of environmental sustainability may be better studied by breaking the concept into two categories of legitimacy which we call strategic performance legitimacy and cost efficiency legitimacy. Strategic performance legitimacy (SPL) refers to the extent to which students perceive environmental management to be an important business issue because it improves the long-term strategic performance of a firm. Porter (1980), Coyne (1986), and Barney (1991) suggest that firms have a competitive advantage when their strategies provide long-term benefits to the firm. Long-term strategic performance provides lasting benefits and would include evidence of profitability, growth, and having a distinctive position in the industry.

Cost efficiency legitimacy (CEL) refers to the extent to which one perceives environmental management to be an important business issue because it reduces costs and improves the efficiency of the firm. When firms do a better cost efficient job of managing their activities, they are more likely to achieve a durable cost advantage over rivals (Thompson, Strickland, Gamble (2010).

Data reported by the Aspen Institute Center (2007) indicated that the content of MBA courses can influence the way students think about the role of business and its relationship to society once they become leaders. Likewise, the content of undergraduate business school curricula may be important for influencing the way business students think about environmental issues and perceptions of EM legitimacy. Further, a personal sense that a given situation is legitimate can be reinforced by endorsement provided by others (Walker & Zelditch, 1993; Hegtvædt & Johnson,

2000). If the business school curriculum contains material that reinforces positive perceptions of the practical utility of environmental management, one might expect perceptions of legitimacy to increase as a result. In addition, earlier research suggests that in order to assess the perceived legitimacy one must consider both the internal (e.g., studying, practicing decision-making in EM) and external locus of the legitimizing force (e.g, importance to executives). Not only should personal attitudes be elicited, but also perceptions of the attitudes of authority figures (Thomas, 2005). Thus, the following hypotheses are proposed:

H1: There will be a positive relationship between how much students perceive they've *studied* environmental management in their College of Business experience and student perceptions of strategic performance legitimacy.

H2: There will be a positive relationship between how much students perceive they've *practiced* environmental management in decision-making during their College of Business experience and student perceptions of strategic performance legitimacy.

H3: There will be a positive relationship between how important students perceive environmental management is to *employers* and student perceptions of strategic performance legitimacy.

H4: There will be a positive relationship between how much students perceive they've *studied* environmental management in their College of Business experience and student perceptions of cost efficiency legitimacy.

H5: There will be a positive relationship between how much students perceive they've *practiced* environmental management in decision-making during their College of Business experience and student perceptions of cost efficiency legitimacy.

H6: There will be a positive relationship between how important students perceive environmental management is to *employers* and student perceptions of cost efficiency legitimacy.

Thomas (2005) found that undergraduate students had low perceptions of business executives practicing environmental management because it is the "morally" or appropriate thing to do. This lack of external validation by business executives suggests that business students may have attitudes that could reduce the likelihood of students converting their environmental values into action. Thus, the need for education that emphasizes successful executives and their regard for the "moral" importance of environmental management may be indicated. Based on this, the following hypotheses are proposed:

H7: There will be a positive relationship between student perceptions of having *studied* environmental management in their College of Business experience and student perceptions of discretionary legitimacy.

H8: There will be a positive relationship between how much students perceive they've *practiced* environmental management in decision-making during their College of Business experience and student perceptions of discretionary legitimacy.

H9: There will be a positive relationship between how important students think environmental management is to *employers* and student perceptions of discretionary legitimacy.

## **METHODS**

### **Sample**

A sample of 109 business students at a mid-size Southwestern University participated in the study. The age of the participants ranged from 18 to 40+ years with 83% of the respondents falling in the 22-29 year category; 49% were male and 51% were female; 52% had 1-5 years of work experience while 34% had 6 to 10 years of work experience;

and 88% were undergraduate business students with the remainder being MBA students.

### **Procedures**

The surveys were administered during one class period to undergraduate, senior level students enrolled in the College of Business capstone course. While participation was voluntary, respondents were given some minimal course credit for participating in the study. The researcher explained to the participants that the study was being conducted by university faculty and assured participant confidentiality. The researcher then instructed participants to read each question thoroughly and to think carefully about each response.

### **Measures**

Based on the literature review and the objectives of the study, a questionnaire was designed to measure the variables of interest. In addition to measures for the dependent and independent variables, the survey included gender, age, years of work experience, and program (undergraduate or MBA) as demographic items.

The dependent variables in this study are strategic performance legitimacy, cost efficiency legitimacy, and discretionary legitimacy. The scales used to measure the dependent variables are discussed in the following sections.

*Strategic Performance Legitimacy.* Strategic Performance Legitimacy refers to the extent to which one perceives EM to be a legitimate business issue because it improves the long-term strategic performance of the firm. A four-item scale adapted from the Chen (2007a) study was used to gather perceptions of whether “companies that engage actively in corporate environmental management have better profitability compared to rivals,” “companies that engage actively in corporate environmental management have growth that exceeds that of major competitors,” “companies that engage actively in corporate environmental management gain a long-term competitive edge over rivals,” and “companies that engage actively in corporate environmental management have a distinctive position in their industry that cannot be easily replaced by major competitors.” The participants responded using a five-point scale with anchors ranging from 1 = “Almost Never True” to 5 = “Almost Always True.” The four items were aggregated and the scale demonstrated good internal consistency (Cronbach’s alpha = .82).

*Cost-Efficiency Legitimacy.* Cost-Efficiency Legitimacy refers to the extent to which one perceives environmental management to be an important business issue because it reduces costs and improves the efficiency of the firm. A two-item scale adapted from the *Cost-Benefit Environmental Awareness Scale* (Gadenne, Kennedy, & McKeiver, 2008) asked respondents to indicate their perceptions of whether “a reduction in operating costs is an important reason why environmental management is important to firm success,” and “improved employee productivity is an important reason why environmental management is important to firm success.” These two items were measured using a five-point scale with anchors ranging from 1 = “Almost Never True” to 5 = “Almost Always True.” The two items were combined to form the cost-efficiency legitimacy scale with a Chronbach alpha of .80.

*Discretionary Legitimacy.* Discretionary Legitimacy refers to the extent to which one perceives a firm should make environmental sustainability choices that go beyond those required by economics or law. A single item adapted from the Thomas (2005) study was used to measure discretionary legitimacy. The question asked respondents to indicate whether they believed “a company’s efforts to reduce its environmental impact should go beyond what the law requires, even if profits might be reduced, because it’s the (morally) right thing to do.” The participants responded using a five-point scale ranging from 1 = “Strongly Disagree” to 5 = “Strongly Agree.”

The independent variables in this study are practiced EM in decision-making, studied EM, and importance to executives. The scales used to measure the independent variables are discussed in the following sections.

*Practiced EM in Decision-making.* A three-item scale, adapted from a study by the Aspen Institute Center for Business Education (2007), was used to ask respondents the extent to which “I feel free to raise issues related to the

environmental responsibility of companies in the classroom,” “I have opportunity to practice environmentally responsible decision making as part of my business education,” and “I feel business faculty are interested in discussions related to the environmental responsibility of companies.” Participants responded using a five-point scale with anchors ranging from 1 = “Strongly Disagree” to 5 = “Strongly Agree.” The three items were aggregated and the scale demonstrated good internal consistency with Cronbach alpha = .81.

*Studied EM.* Thirteen courses commonly found in College of Business curricula were listed on the questionnaire. Students were asked to indicate how much they had studied environmental management in each course using a 5-point scale with anchors ranging from 1 = “Not at All” to 5 = “To a Great Extent.” Responses were aggregated, and the internal consistency for this scale was .89.

*Importance to Executives.* A single item adapted from the Thomas (2005) study was used to measure the extent to which participants perceived environmental management to be important to executives. The question asked respondents to indicate “how important do you think environmental concerns are to executives when companies develop and implement their strategies.” The participants responded using a five-point scale ranging from 1 = “Unimportant” to 5 = “Very Important.”

## DATA ANALYSES

A factor analysis with a varimax rotation was performed on the seven statements in the questionnaire representing the dependent variables. The factor analysis rendered two distinct factors that accounted for 64.16 percent of the total variance. These two factors were used as dependent variables. The first factor we called *Strategic Performance Legitimacy* (SPL), and it accounted for 36.31% of the variance. Factor two was called *Cost-efficiency Legitimacy* (CEL), and it accounted for 27.84% of the variance. The question “A company’s effort to reduce its environmental impact should go beyond what the law requires, even if profits might be reduced, because it’s the (morally) right thing to do” did not load heavily onto either factor and was used as a single item dependent variable we called *Discretionary Legitimacy*.

Second, a factor analysis with a varimax rotation was performed on four of the statements in the questionnaire representing the independent variables. The factor analysis of the independent variables rendered one distinct factor that accounted for 56.96 percent of the total variance. This variable we called *Practiced EM in Decision-making*. The question “How important do you think environmental concerns are to executives when companies develop and implement strategies” did not load heavily onto the factor and was used as a single item independent variable we called *Importance to Executives*. Finally, thirteen College of Business courses were listed on the questionnaire and used as an independent variable which we called *Studied EM*.

(Table 1 and Table 2 about here)

We used three separate multiple regression models in which the independent variables were entered simultaneously to test our hypotheses. Entering the independent variables simultaneously is considered to be appropriate whenever there is no logical or theoretical basis for considering any variable to be prior to any other (Cohen & Cohen, 1975). In the first model, the influence of studied EM, practiced EM in decision-making, and executive importance on strategic performance legitimacy (Hypotheses 1, 2, and 3) was examined after controlling for age, years of work experience, gender, and program. The second model investigates the effects of studied EM, practiced EM in decision-making, and executive importance on cost-efficiency legitimacy (Hypotheses 4, 5, and 6) after entering the control variables. Lastly, in the third model, after entering the control variables, the influence of studied EM, practiced EM in decision-making, and executive importance on discretionary legitimacy (Hypotheses 7, 8, and 9) was investigated.



## RESULT

The results of this study are presented next. Descriptive statistics and correlations among study variables are shown in Table 3 with the reliability coefficients listed on the diagonal of the matrix. A review of the reliabilities of the measures used indicates that all were well within the acceptable range according to Nunnally's (1978) criterion of .70.

An examination of the correlations in Table 3 revealed that gender was not related significantly to the other variables. However, as might be expected, age was significantly related to how much EM was studied but not necessarily practiced. Since the questions were very course specific, it's not surprising that somewhat older students might spend more time studying, but the perceived amount of time to practice EM as part of the course activities did not differ by age. All three independent variables were correlated with the three dependent variables.

Multiple regression results are displayed in Table 4 for the three dependent variables: strategic performance legitimacy, cost efficiency legitimacy, and discretionary legitimacy. The influence of studied EM, practiced EM in decision-making, and executive importance on strategic performance legitimacy (Hypotheses 1, 2, and 3) was tested in Model 1. Results of the Full Model indicate that after entering gender, age, program, and years of work experience as control variables, Studied EM, practiced EM in decision-making, and executive importance explained an additional 59% of the variance in strategic performance legitimacy ( $F = 11.038, p < .001$ ). Additionally, final beta weights for studied EM, practiced EM in decision-making, and executive importance indicate a significant association with strategic performance legitimacy ( $p < .001$ ). These results, along with significant correlations, provide support for Hypothesis 1, Hypothesis 2, and Hypothesis 3.

Model 2 in Table 4 was used to investigate the influence of studied EM, practiced EM in decision-making, and executive importance on cost efficiency legitimacy (Hypotheses 4, 5 and 6). The results of Full Model 2 indicate that after entering the control variables, studied EM, practiced EM in decision-making, and executive importance explained an additional 24% of the variance in cost efficiency legitimacy ( $F = 3.691, p < .01$ ). Further, final beta weights for studied EM and executive importance were significantly associated with cost efficiency legitimacy ( $p < .05$ ), whereas practiced EM in decision-making was not significantly associated with cost efficiency legitimacy. These results, along with significant correlations, provide support for Hypothesis 4 and Hypothesis 6, but not Hypothesis 5.

Model 3 in Table 4 was used to investigate the influence of studied EM, practiced EM in decision-making, and executive importance on discretionary legitimacy (Hypotheses 7, 8, and 9). The results indicate that after controlling for gender, age, program, and years of work experience, studied EM, practiced EM in decision-making, and executive importance explained an additional 18% of the variance in discretionary legitimacy ( $F = 3.63, p < .01$ ). Further, the final beta weight for practiced EM in decision-making was associated with discretionary legitimacy ( $p < .01$ ), whereas studied EM and executive importance were not. These results, along with significant correlations, provide support for Hypothesis 8, but not for Hypotheses 7 and 9.

## DISCUSSION

The results of this study suggest that exposing business students to environmental management concepts increases their perception of EM being a legitimate business issue. In particular, studying EM, practicing EM in decision making, and executive importance were all related to strategic performance legitimacy. Thus, the participants perceived that firms engaging actively in EM experienced improved profitability, growth, a long-term competitive advantage, and a distinctive position in their industry that could not be easily copied by rivals.

An unexpected finding was that studying EM and executive importance were related to cost efficiency legitimacy, while practicing EM in decision-making was not. Thus, participants who reported more opportunities to practice

EM decision-making in their College of Business experience did not necessarily perceive EM to be an important business issue for reducing operating costs and improving productivity. Environmental Management is a fairly new topic in business school curriculum. Perhaps the participants in this study needed additional opportunity to study EM and develop a knowledge base about the topic and its impact on cost efficiency. Until this knowledge base is more fully developed, it may be difficult for students to apply EM in decision-making situations.

Another unexpected finding was that practicing EM in decision-making was related significantly to discretionary legitimacy, but studying EM and executive importance was not. One explanation may lay in the difference between thinking something is morally right as with discretionary legitimacy and thinking something is an important business issue in terms of cost efficiency and strategic performance. With discretionary legitimacy, participants may rely on personal values and ethical standards that they already held when practicing EM in decision-making. The act of being able to apply values and ethical standards to a specific EM situation may have enhanced perceptions of discretionary legitimacy.

The findings of this study are valuable to business educators because students enter the corporate world and provide the leadership necessary for ensuring their organizations are socially responsible entities. It appears from this study that it is important in terms of legitimacy to integrate environmental management concepts into the business school curriculum. If the curriculum presents material that reinforces positive perceptions of EM's practical utility, one might expect perceptions of legitimacy to increase as well. Studying about EM might include techniques for developing a knowledge base about the topic such as definitions and terminology, as well as the various techniques that are used in industry for increasing environmental sustainability. Direct pedagogical approaches such as lecture and exercises may be useful for studying EM and developing an understanding of how the various techniques used in EM can ultimately reduce costs and increase efficiency, profitability, growth, and a competitive advantage for a firm.

It also appears that practicing EM in decision making is important for legitimacy. According to Thomas (2005), more exposure to real-world business decision-making increases student perceptions of the external validation of environmentally sustainable practices. By extension, exposure to real-world case studies in the classroom can be expected to positively affect perceptions of EM legitimacy. Another pedagogical approach that may be useful for practicing EM in decision-making is the full-enterprise simulation that requires students to operate a firm and make decisions about environmental issues along with the standard decisions required for operating the simulated firm.

## CONCLUSION

Our study, like most, had some limitations that must be acknowledged. The use of a single collection of questionnaire data from one source and from one point in time can produce common method variance. It would be helpful to do a longitudinal study that evaluates any variance in business student perceptions of legitimacy over time. Participants may have had differing environmental values before their college experiences, and this, too, could have influenced their perceptions of EM legitimacy.

Future research should investigate the impact various pedagogical methods have on student perceptions of legitimacy. Further, work should be done to validate the survey used to measure legitimacy. At the corporate level, it would be useful to study how perceptions of legitimacy impact decisions that are actually made in the organization.

In conclusion, it appears from the findings of this study that practicing EM in decision-making, studying EM, and perceiving EM as important to business executives all have a positive effect on student perceptions of EM legitimacy. Business schools that integrate environmental management into their curricula are likely training and graduating future business leaders who will exhibit concern for environmental business issues.

## REFERENCES

- Aspen Institute. (2008). Where will they lead? MBA students attitudes about business and society. Business and Society Program.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.
- Benn, M. & Dunphy, D. (2009). Action research as an approach to integrating sustainability into MBA programs: an exploratory study. *Journal of Management Education*, 33, 276-295.
- Berry, M. A., & Rondinelli, D. A. (1998). Proactive corporate environmental management: A new industrial. *Academy of Management Executive*, 12, 38-50.
- Bunch, R. (1999). Grey pinstripes with green ties: Preparing environmental leaders. *Selections*, 15, 1-8.
- Chen, Y. S., Lai, S. B., & Wen, C. T. (2006). The influence of green innovation performance on corporate advantage in Taiwan. *Journal of Business Ethics*, 67, 331-339.
- Chen, Y. S. (2008b). The driver of green innovation and green image – green core competence. *Journal of Business Ethics*, 81, 531-543.
- Chen, Y. S. (2007a). The positive effect of green intellectual capital on competitive advantages of firms. *Journal of Business Ethics*, 77, 271-286.
- Cohen, J. & Cohen, P. (1975). *Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences*. Hillsdale, NJ. Lawrence Erlbaum Associates.
- Cordano, M., Ellis, K.M. & Scherer, R.F. (2003). Natural capitalists: Increasing business students' environmental sensitivity. *Journal of Management Education*, 27, 144-157.
- Coyne, K. P. (1986). Sustainable competitive advantage – what it is, what it isn't. *Business Horizons*, 29, 54-61.
- Egri, C.P. & Rogers, K.S. (2003). Teaching about the natural environment in management education: New directions and approaches. *Journal of Management Education*, 27, 139-143.
- Fittipaldi, S. (2004). When doing the right thing provides a payoff. *Global Finance*, 18, 18-22.
- Friedman, P. (2008). Leaning toward green: Green your supply chain with lean practices. *Outsourced Logistics*, 1, 16-17.
- Gadenne, D.L., Kennedy, J. & McKeiver, C. (2008). An empirical study of environmental awareness and practices in SME's. *Journal of Business Ethics*, 84, 45-63.
- Hegtvædt, D.A. & Johnson C. (2000). Justice beyond the individual: a future with legitimation. *Social Psychology Quarterly*, 63 (4), 298-311.
- King, A. A., & Lennox, M. J. (2001). Does it really pay to be green? An empirical study of firm environmental and financial performance. *Journal of Industrial Ecology*, 5, 105-116.
- Lanoie, P., & Tanguay, G. A. (2000). Factors leading to green profitability: Ten case studies. *Greener Management International*, 31, 39-50.
- Lussier, R. N. (2008). An exploratory study of business students' discretionary social responsibility orientation. *Small Business Institute Journal*, 1, 76-90.
- Nunnally, J. (1978). *Psychometric theory* (2<sup>nd</sup> ed.). New York, NY: McGraw Hill.
- Pesonen, H. L. (2003). Challenges of integrating environmental sustainability issues into business school curriculum: A case study from the University of Jyväskylä, Finland. *Journal of Management Education*, 27, 158-171.
- Porter, M. E. (1980). *Competitive advantage*. New York, NY: The Free Press.
- Porter, M. C., & van der Linde, C. (1995). Green and competitive: Ending the stalemate. *Harvard Business Review*, 73, 120-134.
- Russo, M. B., & Fouts, P. A. (1997). A resource-based perspective on corporate environmental performance and profitability. *Academy of Management Journal*, 40, 534-559.
- Rands, G.P. (2009). A Principle-Attribute matrix for environmentally sustainable management education and its application: The case for change-oriented service-learning projects. *Journal of Management Education*, 33 (3), 296-322.
- Rugman, A.M. & Verbeke, A. (1998a). Corporate strategies and environmental regulations. *Strategic Management Journal*, 19 (4), 363-375.
- Shrivastava, P. (1995). Environmental technologies and competitive advantage. *Strategic Management Journal*, 16, 183-200.
- Springett, D. & Kearins, K. (2001). Gaining legitimacy? Sustainable development in business school curricula. *Sustainable Development*, 9, 213-221.
- Suchman, M. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20, 571-610.
- Thomas, T. (2005). Are business students buying it? A theoretical framework for measuring attitudes toward the legitimacy of environmental sustainability. *Business Strategy and the Environment*, 14, 186-197.
- Thompson, A. A., Strickland, A. J., & Gamble, J. E. (2010). *Crafting and executing strategy: The quest for competitive advantage* (17<sup>th</sup> ed.). New York, NY: McGraw-Hill Irwin.
- Walker, H.A., Zelditch, M. Jr. (1993). Power, legitimacy, and the stability of authority: a theoretical research program. In *Theoretical Research Programs*, Berger J, Zelditch M Jr. (eds). Stanford, CA: Stanford University Press: 364-381.

**Table 1: Total Variance Explained - Independent Variables**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.345	47.784	47.784	3.345	47.784	47.784	2.542	36.317	36.317
2	1.146	16.377	64.161	1.146	16.377	64.161	1.949	27.845	64.161
3	.811	11.593	75.754						
4	.556	7.945	83.699						
5	.521	7.441	91.140						
6	.374	5.349	96.489						
7	.246	3.511	100.000						

Extraction Method: Principal Component Analysis.

**Table 2: Total Variance Explained - Dependent Variables**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.278	56.960	56.960	2.278	56.960	56.960
2	.928	23.190	80.150			
3	.423	10.565	90.715			
4	.371	9.285	100.000			

Extraction Method: Principal Component Analysis.

**Table 3: Descriptive Statistics and Correlations**

Variable	Mean	s.d.	1	2	3	4	5	6	7	8	9
1 Gender	1.51	.50									
2 Age	2.39	.97	-.06								
3 Program	1.12	.32	-.15	.17							
4 Years of Work Experience	1.71	.98	-.10	.74**	-.07						
5 Studied EM	2.28	.74	.02	.26*	.19	.21	(.89)				
6 Practiced EM Decision-making	2.90	.70	.07	-.01	.12	-.04	.19	(.81)			
7 Executive Importance	3.71	1.00	.01	-.03	.08	.01	.27*	.24*			
8 Strategic Performance Legitimacy	2.85	.82	.10	.02	.04	-.03	.50**	.39**	.53**	(.82)	
9 Cost Efficiency Legitimacy	2.63	.56	.16	-.04	.13	.001	.44**	.28**	.38**	.44**	(.80)
10 Discretionary Legitimacy	3.76	1.06	.12	-.002	.16	.08	.27*	.36**	.51**	.37**	.32**

\*Correlation is significant at the .05 level (2-tailed); \*\*Correlation is significant at the .01 level (2-tailed)

**Table 4: Regression Analysis Results**

Dependent Variable (DV)	Model 1 DV1: Strategic Performance Legitimacy		Model 2 DV2: Cost Efficiency Legitimacy		Model 3 DV3: Discretionary Legitimacy	
	Beta <sup>a</sup>		Beta <sup>a</sup>		Beta <sup>a</sup>	
	Control Model	Full Model	Control Model	Full Model	Control Model	Full Model
<i>Control Variables:</i>						
Gender	-.004	-.041	.269*	.252*	.305*	.274*
Age	-.110	-.162	-.001	-.052	-.114	-.123
Currently Enrolled	.022	-.195*	.190	.066	.204	.079
Years of Work Experience	-.016	-.004	.116	.114	.329	.345
<i>Independent Variables</i>						
Studied EM		.403***		.331*		.091
Practiced EM		.360***		.114		.342**
EM: Executive Importance		.389***		.255*		.178
R Square	.015	.607	.100	.341	.151	.333
Δ R Square		.592		.241		.182
F Value	.208	11.038***	1.469	3.691**	2.40	3.63**

<sup>a</sup>Standardized Coefficients;  
p < .05\*; p < .01\*\*; p < .001\*\*\*

**Kathleen M. Dale** is an Assistant Professor of Management at Minnesota State University, Mankato. Dr. Dale has a Ph.D. from the University of North Texas. Her areas of expertise include Organizational Theory and Business Policy and she teaches graduate and undergraduate classes in these areas. Her current research interests include issues in small business management, the use of business simulations, and leadership. Dr. Dale has served on the Board of Directors for a number of small business enterprises.

**Marilyn L. Fox** is a Professor of Management and is a past Chair of the Department of Management. She is currently serving as the Interim Dean of the College of Business. Dr. Fox has a Ph.D. from the University of Nebraska, Lincoln, and an MBA from Drury College in Springfield, Missouri. Dr. Fox is a nationally recognized author and scholar. She has published in such journals as the *Academy of Management Journal*, the *Journal of Applied Psychology*, the *Journal of Applied Social Psychology*, the *Journal of Occupational Health Psychology*.

**Bradley W. Mayer** is an Associate Professor of Management at Lamar University of the Texas State University System. He is the Associate Dean of the College of Business and Director of the MBA program. His current research interests include self-esteem, leadership, social issues, and the use of business simulations.

# Manuscript Guidelines, Submission and Review Process

## TOPIC AREAS (BUT NOT LIMITED TO THESE):

- Course design – current courses, new courses, new trends in course topics
- Course management – successful policies for attendance, homework, academic honesty ...
- Class material
  - o Description and use of new cases or material
  - o Lecture notes, particularly new and emerging topics not covered effectively in textbooks
  - o Innovative class activities and action-learning – games, active learning, problem based
- Major or emphasis area program design that is new or innovative.
- Assessment – all aspects including AACSB and university level assessment strategies and programs
- Integration of programs or courses with other academic disciplines
- Internship programs
- Business partnerships
- Successful student job placement strategies
- Any topic that relates to higher education business education.

## SUBMISSION AND REVIEW PROCESS:

### Copyright

- Manuscripts submitted for publication should be original contributions and should not be under consideration with another journal.
- Authors submitting a manuscript for publication warrant that the work is not an infringement of any existing copyright, infringement of proprietary right, invasion of privacy, or libel and will indemnify, defend, and hold Elm Street Press harmless from any damages, expenses, and costs against any breach of such warranty.

### Prepare your manuscript

- See the Style Guideline page for specific instructions.
- Articles must make a contribution to business education innovation.
- Manuscripts should be limited to 8 to 10 pages or less, although longer will be accepted if warranted.
- Articles can be either regular research papers, or shorter notes that succinctly describe innovative classroom teaching methods or activities.
- Manuscripts should be completely finished documents ready for publication if accepted.
- Manuscripts must be in standard acceptable English grammatical construction.
- Manuscripts should be in MS Office Word format. Word 2007 files are acceptable, as are earlier versions of Word. If you are using a new version of Word after Word 2007, save in Word 2007 format.

### Submit your manuscript

- Manuscripts may not have been published previously or be under review with another journal.
- Submit the manuscript attached to an email to **submit@beijournal.com**
- We will respond that we have received the manuscript.
- Article submissions can be made at any time.
- Submission deadlines: September 15 for December issue, March 15 for June issue.

### **Manuscript review**

- The editor and reviewers will review your submission to determine if 1) the content makes a contribution to innovative business education, 2) is of the proper page length, 3) is written in proper grammatical English, and 4) is formatted ready for publication.
- Submissions not meeting any of these standards will be returned. You are invited to make revisions and resubmit.
- If the submission meets the standards, the manuscript will be sent to two reviewers who will read, evaluate and comment on your submission.
- The editor will evaluate the reviews and make the final decision. There are 3 possible outcomes:
  - Accept as is.
  - Accept with minor revisions.
  - Not accepted.
- Reviews will be returned promptly. Our commitment is to have a decision to you in less than two months.
- If your paper is not accepted, the evaluation may contain comments from reviewers. You are invited to rewrite and submit again.

### **If your paper is accepted**

- Minor revision suggestions will be transmitted back to you.
- Revise and send back as quickly as possible to meet printer deadlines.
- Upon final acceptance, we will bill you publication fees. See [www.beijournal.com](http://www.beijournal.com) for latest per page fees. Sole author fees are discounted.
- The fees include all costs of mailing a copy of the issue to each author via standard postal ground.
- Delivery to locations outside the continental US will cost an additional \$10 per author for 5 day delivery.
- Faster delivery methods are available for US and international delivery. Contact the editor for a specific pricing.
- All publication fees should be remitted within 10 business days of acceptance, if possible.
- If you decide not to publish your paper with BEI Journal after submitting payment, we will refund publication fees less \$200 to cover costs of review and processing.
- Cancellation cannot occur after the paper has been formatted into the final printer's file.

# Manuscript Style Guide and Example

An example is providing following these instructions.

This style guide represents new style guidelines in effect for future issues.

## General Setup:

- All fonts: Times New Roman. 10 point for text. Other sizes as noted below
- Margins: 1 inch on all sides of 8½x11 inch paper size.
- No headers or footers.
- Avoid footnotes unless absolutely necessary.
- Page numbering bottom centered.
- No section breaks in the paper.
- No color, including url's. Format to black. No color in tables or figures. Use shading if necessary.
- All pages must be portrait orientation. Tables and figures in landscape orientations should be reformatted into portrait orientation.
- All paragraphs should be justified left and right, single spaced, in 10 point Times font, no indent on first line, 1 line between each heading and paragraph.
- One line between each paragraph.

## Titles, Authors, and Headings:

- **Title centered 14 point bold.** One line between title and author's name.
- Authors: centered, 12 point. Name, affiliation, state, country.
- One line space to **ABSTRACT** (title 10 point, bold, all capitalized, aligned left; text of abstract 10 point, no bold)
- After **ABSTRACT**, one line space, then **Keywords**. Followed by one line space to first major heading.
- **HEADINGS, MAJOR**, 10 point, bold, all capitalized, aligned left.  
The specific headlines will be based on the content of the paper, but major sections should at a minimum include an abstract, keywords, introduction, conclusion, and references.
- **Sub-headings:** 10 point, bold, first letter capitalized, no line to following paragraph. Align left.
- *Third level headings:* *Italic*, 10 point, first letter capitalized, no line to following paragraph. Align left.
- **Keywords:** heading: 10 point, bold, first letter capitalized, no line to following paragraph. Align left.  
Your list of keywords in 10 point, no bold.

## Tables, Figures and Graphs:

- All fonts 10 point.
- Numbered consecutively within each category. Table 1, Figure 1 etc.
- Title: 10 point, bold, left justify title, one space, then the table, figure, etc.
- Example: **Table 1: Statistical Analysis**

## References:

- APA format when citing in the text. For example (Smith, 2009).
- References section: 8 point font, first line left margin, continuation lines 0.25 inch indent. Justify left and right. No line spacing between references. List alphabetically by first author.
- Specific references: Last name, First initial, middle initial (and additional authors same style) (year of publication in parentheses). Title of article. *Journal or source in italics*. Volume and issue, page number range.
- Example: Clon, E. and Johanson, E. (2006). Sloppy Writing and Performance in Principles of Economics. *Educational Economics*. V. 14, No. 2, pp 211-233.
- For books: last name, first initial, middle initial (and additional authors same style) (year of publication in parentheses). *Title of book in italics*. Publisher information.
- Example: Houghton, P.M, and Houghton, T.J. (2009). *APA: The Easy Way!* Flint, MI: Baker College.



*Example (note that this example represents a change from previous style guides, including this issue )*

## **Evidence to Support Sloppy Writing Leads to Sloppy Thinking**

Peter J. Billington, Colorado State University - Pueblo, Colorado, USA (12 point)

Terri Dactil, High Plains University, Alberta, Canada

### **ABSTRACT (10 point, bold, all capitalized, left justified)**

(text: 10 point Times font, no indent, justified, single space, 150 words maximum for the abstract)

The classic phrase “sloppy writing leads to sloppy thinking” has been used by many to make writers develop structured and clear writing. However, although many people do believe this phrase, no one has yet been able to prove that, in fact, sloppy writing leads to sloppy thinking. In this paper, we study the causal relationship between sloppy writing and sloppy thinking.

**Keywords:** sloppy writing, sloppy thinking (10 point, bold title, first letter capitalized, left justified).

### **INTRODUCTION (10 point, bold, all capitalized, left justified).**

The classic phrase “sloppy writing leads to sloppy thinking” has been used by many to make writers develop structured and clear writing. However, since many people do believe this phrase, no one has yet been able to prove that in fact, sloppy writing leads to sloppy thinking. Is it possible that sloppy writing is done, even with good thinking. Or perhaps excellent writing is developed, even with sloppy thinking.

In this paper, we study the writing of 200 students that attempts to test the theory that sloppy writing leads to sloppy thinking.

### **PREVIOUS RESEARCH**

The original phrase came into wide use around 2005 (Clon, 2006), who observed sloppy writing in economics classes. Sloppy writing was observed in other economics classes (Druden and Ellias, 2003).

### **RESEARCH DESIGN**

Two hundred students in two business statistics sections during one semester were given assignments to write reports on statistical sampling results. The papers were graded on a “sloppiness” factor using...

**Data Collection** (Sub-heading, bold but not all caps, 10 point, aligned left, bold, no line after to paragraph)

The two hundred students were asked to write 2 short papers during the semester...

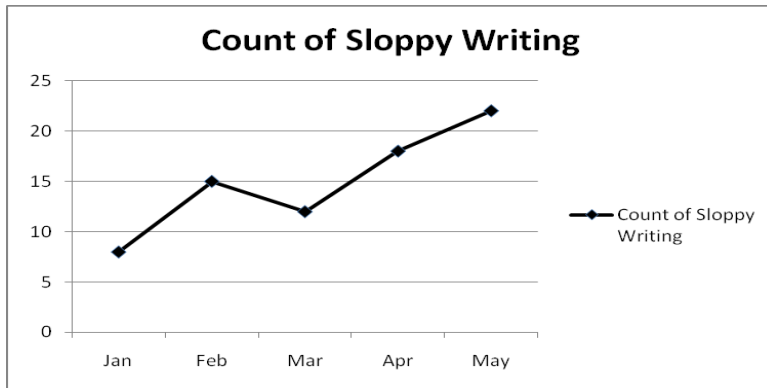
**Data Analysis**(Sub-heading, bold but not all caps, 10 point, aligned left, bold, no line after to paragraph)

The two hundred students were asked to write 2 short papers during the semester...

### **DISCUSSION**

The resulting statistical analysis shows a significant correlation between sloppy writing and sloppy thinking. As noted below in Figure 1, the amount of sloppy writing increases over the course of the spring semester.

**Figure 1: Sloppy Writing During the Semester**



The count results were compiled and shown in Table 1 below.

**Table 1: Counts of Good and Sloppy Writing and Thinking (bold, 1 line after to table, left justify)**

	<b>Good Thinking</b>	<b>Sloppy Thinking</b>
<b>Good Writing</b>	5	22
<b>Sloppy Writing</b>	21	36

\*-Indicates significance at the 5% level)

As Table 1 shows conclusively, there is not much good writing nor good thinking going on.

## CONCLUSIONS

The statistical analysis shows that there is a strong relation between sloppy writing and sloppy thinking, however, it is not clear which causes the other...

Future research will try to determine causality.

## REFERENCES (title 10 point, all caps, bold, align left, one line to first reference)

- (1line spacing) (All references 8 point, indent second line 0.25 inch, justify left and right)
- Clon, E. (2006). Sloppy Writing and Performance in Principles of Economics. *Educational Economics*. V. 14, No. 2, pp 211-233.
- Devad, S. and Flotz, J. Evaluation of Factors Influencing Student Class Writing and Performance. *American Journal of Farming Economics*. V. 78, Issue 3, pp 499-502.
- Druden, G. and Ellias, L. (1995). *Principles of Economics*. New York: Irwin.

(short bio section optional, can run longer than these examples; removed before sent to reviewers)

**Peter J. Billington**, Ph.D., is a professor of operations management at Colorado State University – Pueblo. His research interests span from lean six sigma to innovative education.

**Terri Dactil**, Ph.D., is a professor of business communication in the College of Business at High Plains University, Alberta, Canada. His research interests include instructional methods to improve student communication skills.

The authors wish to acknowledge the assistance of graduate student Philipp Ecken in compiling and reading numerous student papers.