PROCEEDINGS
FROM THE
2013 INTERNATIONAL
CONFERENCE
NOVEMBER 27 - DECEMBER 1, 2013
BRUSSELS, BELGIUM

ACBSP
GLOBAL BUSINESS
ACREDITATION

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Proceeding of the Inaugural ACBSP
International Conference
November 27 – December 1, 2013

With great honor and pride more than 100 ACBSP members were welcomed to Brussels, Belgium and the 2013 Inaugural ACBSP International Conference – “Engaged Learning in the Digital Age.”

The leadership of the Accreditation Council for Business Schools (ACBSP), officers of the International Council of Business Schools and Programs (ACBSP Region 8), ACBSP staff worked tirelessly to make this conference a most successful and thoroughly enriching experience. We heard great speakers, enjoyed numerous networking opportunities, consumed much delicious food, and met with first class exhibitors. This was an historic event, the first International Conference in our year-long celebration of ACBSP’s 25th Anniversary and we meet again in Chicago for the ACBSP Annual Conference June 27-30, 2014 and then in Athens, Greece for the second International Conference and ACBSP Region 8 Annual Conference, Nov 27-30, 2014.

Following the Brussels International Conference, the full papers presented during the concurrent sessions at the conference are now included in this the published conference proceedings.

Some of you have witnessed ACBSP’s growth first-hand over the past 25 years. For you, this International Conference will be an opportunity to showcase the work of ACBSP Region 8, as supported by the ACBSP European office, which opened in November 2011.

We begin the proceedings noting the personal welcomes given by our Presidents and Executive Director

![Charles Beem](image)
Charles Beem
President
ACBSP

![Vasilis J. Botopoulos](image)
Vasilis J. Botopoulos
President
ACBSP Region 8

![Douglas Viehland](image)
Douglas Viehland
Executive Director
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**Brussels, 2013**  
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ACKNOWLEDGING CONFERENCE EVENTS

A Welcome Desk

Sarah Haas & ACBSP Headquarters Staff

This facility remained open throughout the conference welcoming registrants and providing them with the Conference program and materials. A big thank you to Sarah and the staff who fielded the whole range of conference questions and attendee details. They also provided all attendees with certificates of attendance and other necessary documentation.

A Networking Dinner:

Registrants arriving November 27

OPENING GENERAL SESSION

Opening up Education

Keynote speaker

Jonathan Hill,
Deputy Head of Cabinet, Directorate of Education and Culture, European Commission,

Moderator

Glynda White,
College of Southern Nevada.
Business Ethics Today

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Abstract:

The credit market meltdown and governance misbehavior have triggered conversations among business leaders, business educators, and the business press about what firms expected and what was taught to future managers. Economists created “rational choice” models to explain why people do what they do. The social sciences were uniting under the idea that people are rational agents who set goals and pursue them intelligently by using the information and resources at their disposal. But rational analysis has come under some criticism. This paper will examine the work of Jonathan Haidt (The Happiness Hypothesis and The Righteous Mind) who uses a social psychology framework to consider lying and cheating. Dan Ariely (The Honest Truth about Dishonesty, Predictably Irrational, and The Upside of Irrationality) uses a behavioral economics approach to examine business ethics.

Paper presented:

Every few years, maybe more often, there are major business ethics failures. The press always treats such occurrences with great surprise. However, we should not be surprised. “What Ever Happened to Ethics?” screams the Time magazine cover. But the issue is not referring to the present...The publication date is May 15, 1987 and rampant white collar crime...is being bemoaned.” (Wishloff 71) Nothing has changed, nor was it different in the past.

The August 16 (2013) Wall Street Journal’s Five Best (books) recommended books on love and desire in the Gilded Age. Janet Wallach (the author) chose Theodore Dreiser's The Financier (based on true events) to head her list. She concludes that we idolize the self-made billionaire; a genius, we say, and close our eyes to his schemes. Before that there was Jay Cooke and corruption during the Grant presidency. In the 1920s there was the Teapot Dome scandal and, in this century there was Enron, WorldCom, Tyco, and others. Laws are passed, most recently Sarbanes-Oxley and then Dodd-Frank. But as of August 22, 2013, regulators have finalized only 158 of 398 rules called for in the legislation and regulators have missed 172 of 279 rule-making deadlines, according to the law firm, Davis Polk (Washington Post) and many of the laws are not enforced in any case.

Can something be done? One remedy is more of the same, but this time to do it better. Economists created “rational choice” models to explain why people do what they do. The social sciences were uniting under the idea that people are rational agents who set goals and pursue them intelligently by using the information and resources at their disposal. (Happiness p. 3). The idea seems to be that clear, rational explanations taught in business schools and in more business ethics classes will carry the day. So, we need to teach more business ethics or to do a better job of teaching it. But will it work?
Jonathan Haidt does not believe that it will. He writes, “Nobody is ever going to invent an ethics class that makes people behave ethically after they step out of the classroom” (*Righteous Mind*, KL[Kindle Location] 1753-61). There are several reasons for this. One student, perhaps, baited Robert Coles when he told him (175):

We are graded, you know, on our ‘moral reasoning.’ I’ve taken two courses with that as the title. Each time I got an A. Not bad! I guess I’m certified as a pretty moral person—or am I? I mean, am I a smarter moral thinker? Am I moral in the way I act during the day and at night? Are the two the same? We never even got into all that.

Judith Samuelson thinks teaching more business ethics will not work because, while we are teaching more business ethics, we are also teaching that making profits is more important than anything else.

A third explanation distinguishes between “bad apples” and “bad barrels” (Pendse). The “bad apples” suggests that character determines how we will act and “bad barrels” suggest that the context determines or limits how we will act. “Bad apples” would suggest that teaching more ethics classes would reduce the amount of unethical behavior, but Robert Cole’s student would still be with us. Context suggests that the environment forces us to act in a certain way. It would likely mean that we might compare our action with the least ethical person we know. We would distinguish between business and personal ethics. Of course the action is wrong and I would never do “that” in my personal life, but “business is business.”

Recently there have been two challenges to rational analysis. This paper will examine the work of Jonathan Haidt (*The Happiness Hypothesis* and *The Righteous Mind*) who uses a social psychology framework to consider morality. Dan Ariely (*The Honest Truth about Dishonesty, Predictably Irrational, and The Upside of Irrationality*) uses a behavioral economics approach ethics. We will begin by looking at what has happened in the recent past and where we presently stand.

I. Where We Are

The greedy banker/businessman-did-it-all narrative is unsatisfactory, not because there is never any greed and foolish risk-taking in business, but because there always is. It’s hard to top Enron and WorldCom in the late 1990s and early 2000s for case studies in the reckless pursuit of wealth. As for management failures, one can study Penn Central’s bankruptcy in 1970, or Texaco’s in 1987, or GM’s in 2009, or Solyndra more recently. And yet one cannot pick a decade of greed, because any decade could qualify. Such behaviors should never occur because individuals should understand it is not in their self-interest to pursue such strategies. Therefore, the notion that corporate managers and their firms will act rationally is simply wrong.

Why? What does this mean? Would individuals in these firms deliberately act irrationally? Perhaps the answer is that individuals want to act rationally but somehow they do not know how to do it, so we will teach them to take the right action. The “behavioral” argument may give us some insight as to why they do not act rationally despite their efforts to do so, but adding behavioral explanations is not enough. This section revisits the rational argument, expands the “behavioral” assumptions, and introduces “stupidity” into the discussion.

Marianne Jennings (2006 p.4) argues that no one wakes up one day and decides, “You know what would be good? A gigantic fraud! I think I’ll perpetuate a myth through accounting fraud and make money that way.” Nor does anyone suddenly wake up and exclaim, “Forgery! Forging bank documents to show lots of assets. There’s the key to business success.” When and why do these
events keep recurring? One would think that illegal or unethical “white-collar activity should rarely occur because the results always seem to be the same: the “bad” guys get caught. Or do they? Perhaps Jennings is wrong. Perhaps a good proportion (all?) of us are ethical egoists. It's only about me. When one looks at the people making the decisions, one sees people brought up in situations where cheating is common and may often be expected.

Pfeffer (2005) report on a survey of 50,000 undergraduates on some 60 campuses found that 70 percent admitted to some cheating, and there is evidence that both plagiarism and giving unpermitted aid on examinations or assignments are increasing. This continues into the workplace. Research shows that cheating among business school students exceeds the rate of cheating of any other college major. (Pfeffer p. 189). Jennings (2006 p. 217) cites James Stearns of Miami University and Shaheen Borna of Ball State University who interviewed three hundred incarcerated inmates at three minimum-security prisons and compared their responses with those of students at eleven MBA programs. The inmates showed just as much integrity, or more, when presented with ethical dilemmas. Inmates were more concerned about customer service while MBAs were more concerned about pleasing shareholders. Inmates were also less likely to pirate employees from other companies than were the MBAs. Perhaps white-collar workers are the true criminal class. Markopolos (2010) was surprised from the very beginning of his career at the level of corruption which was simply an accepted way of doing business. He (KL 330-347) argues that Bernie Madoff wasn't a complete aberration; he was an extension of the cutthroat culture that was prevalent from the day he started. Hendriques (35) makes the same point, “Madoff's entry into the world of Wall Street came at a time when federal and state regulators had barely begun to get their arms around the market. Fraud was chronic, like a low-grade fever.” In other words context was the key. If ethics are developed and learned in school, or for that matter, if ethical standards result from what happens to those who bend the rules in business, we may not expect more ethical behavior.

In the full ten years from 1992 to 2001, according to Transactional Records Access Clearing House (TRAC) data, SEC enforcement attorneys referred 609 cases to the justice Department for possible criminal charges. US Attorney declined to prosecute just over 64 percent of them. Of those they did press forward, the feds obtained guilty verdicts in a respectable 76 percent. But even then, some 40 percent of the convicted starched-collars didn't spend a day in jail.

It may not be the money though that drives them (Leaf). Bernie Madoff ran a legitimate broker-dealer enterprise that was earning $100 million per year in the late 1980s (Malloch, p. 137; Hendriques, p. 92). Malloch and Mamorsky (p. 132) do not believe that Madoff did it for the money. He did support the family and gave a lot to charity. The money also served as a scorecard. I am better than you because I made $25 million last year and you only made $20 million. Business lives in a win-lose world. A true ethical position in such matters would be to put oneself in the other person's shoes and ask if one would be satisfied if another did the same thing to us. But they don't see it that way. In other words, Enron's executives didn't need to feel any qualms about burying JEDI in a footnote, because sophisticated investors would spot the disclosure and buy or sell Enron stock until its price was accurate. Thus, efficient-market theory reinforced a culture of following the bare letter of the law in complex financial transactions. This turns into a contest of who is the brightest and they get to set the rules. Jeff Skilling was the intellectual father of Enron's business strategy. McLean and Elkind (2003) describe him as follows:

When people describe Skilling they don't just use the word “smart;” they use phrases like “incandescently brilliant” or “the smartest person I ever met.”

But the authors of The Smartest Guys in the Room added: “Without question, Skilling's formidable
intelligence had a lot to do with turning Enron into a company that was successful—at least for a while. But he also had qualities that were disastrous for someone running a big company. For all his brilliance, Skilling had dangerous blind spots. His management skills were appalling, in large part because he didn't really understand people. He expected people to behave according to the imperatives of pure intellectual logic, but of course nobody does that (including, it should be said, Skilling himself).”

This is where stupid gets in the act. Meredith Whitney, who worked as an analyst at Oppenheimer & Co. gave early warning (October 31, 2007), of the subprime crisis. She wasn't saying that Wall Street bankers were corrupt; she was saying they were stupid. These people whose job it was to allocate capital apparently didn't even know how to manage their own (Lewis KL 116-121). But this was only one form of stupidity. “Enron's risk-management manual explicitly encouraged employees to adhere to the letter of the accounting rules, even if they were contrary to economic reality. It stated: “Reported earnings follow the rules and principles of accounting. The results do not always create measures consistent with underlying economics. However, corporate managements' performance is generally measured by accounting income, not underlying economics. Risk management strategies are therefore directed at accounting rather than economic performance.” In other words, Enron managers were encouraged to focus on the accounting effect of their decisions more than their real economic impact. This was true even when Enron was dealing with issues of risk, where real economic impact should have mattered more to the company than accounting disclosures” (Partnoy, p 304)

This is stupid, but this is only one side of the equation. Why were the buyers of Enron stock also stupid? Prentice (2003) argues that the economic model doesn't work because people do not have complete information, but why don't they have complete, or at least more, information? If they were buying CDOs or Enron stock, why wouldn't they want to know what kind of assets they were buying? Analysts had argued for years over whether or not Enron's business was a “black box” but this begs the question: “If you don't understand it, how can you recommend it to your clients?” (Culver 204) If they were investing with Bernie Madoff, why wouldn't they perform due diligence? “What was it about Madoff that made all these smart, analytical people trust him so much, so easily, for so long...Unlike many successful con artists, Madoff was never showy, brash, or overly 'charismatic' (Hendriques 89).”

Jeffrey Pfeffer's 2007 book: What Were They Thinking explains that there are three themes that... help explain how companies make poor choices: Firstly, the importance of considering feedback effects—the idea that actions often have unintended consequences. “Because the lenders sold many—though not all—of the loans they made to other investors, in the form of mortgage bonds, the industry was also fraught with moral hazard. ‘It was a fast-buck business,’ said Sy Jacobs. ‘Any business where you can sell a product and make money without having to worry how the product performs is going to attract sleazy people. That was the seamy underbelly of the good idea...That was our job: to figure out which of the characters were the right ones to pull off the big idea’” (Lewis KL 269-275). Secondly, the naive, overly simplistic, almost mechanical models of people and organizations that seem to dominate both discourse and practice—if a price went up yesterday, it would go up today; and thirdly, the tendency to over complicate what are often reasonably straightforward choices and insights (Pfeffer p. 3). Due diligence or just plain common sense would have prevented many of the problems that developed. Sometimes just talking to each might provide needed information.

Physicist Richard Feynman who served on the Rogers Challenger Commission, provided one example when he asked a group of engineers to estimate the probability that the shuttle’s main engine would fail, their estimates ranged between 1 in 200 and 1 in 300. The comparable estimate from management higher-ups: 1 in 100,000 (Pfeffer p. 123). People thought they understood their models and their risks, but it simply wasn't so. Partnoy explains one way in which this happened. He believes there have been three major changes in financial markets during the past [three decades]. First, financial instruments
became increasingly complex and were pushed underground, as more parties used financial engineering to manipulate earnings and to avoid regulation. Second, control and ownership of companies moved greater distances apart, as ever sophisticated investors could not monitor senior managers, and even diligent senior managers could not monitor increasingly aggressive employees. Third, markets were deregulated, and prosecutors rarely punished financial malfeasance (Partnoy p. 4).

Assuming Partnoy is right, “why would someone risk a large part of their wealth to invest in a process that they didn’t understand?” How could they believe that the gains would never end? Hasn’t every boom come to an end? Don’t stock prices fall as well as rise? Could Enron expect that the Enron stock that guaranteed SPEs would continue to rise and never fall? Why would “intelligent” investors continue to invest in Madoff’s operations? If he actually was purchasing these options, we would have seen the footprints of his trades. “At the volume he had to be trading to produce the results he claimed, his trades should have been reflected in the market activity. But there was no sign of his presence in the market. He supposedly got in and got out, bought and sold, without leaving a trace.” (Markopolos KL 843-845). Markopolos continues, “But then I began doing the math. I knew that there was in existence a total of $9 billion of OEX index put options on the Chicago Board Options Exchange (CBOE). Madoff claimed to be hedging his investment with short-term (meaning 30 days or less) options. You can realistically purchase only $1 billion of these, and at various times Madoff needed $3 billion to $65 billion of these options to protect his investments—far more than existed.” (Markopolos KL 845-849). Because this operation was so secret, everybody thought they were among a select few whose money he had agreed to handle. Madoff had not registered with the SEC as an investment advisory firm or a hedge fund, so he wasn’t regulated. He was simply a guy you gave your money to, to do whatever he wanted to do with it, and in return he handed you a nice profit. He was the Wizard of Oz, and he made everybody so happy that they didn’t want to look behind the curtain (Markopolos KL 785-791).

When Markopolos started speaking with Madoff’s investors, he discovered that they felt privileged that he had taken their money (KL 792-795). According to what Markopolos was able to piece together, Madoff was running at least a $6 billion fund—or three times the size of the largest known hedge funds. His was the largest hedge fund in the world by far—and most market professionals didn’t even know it existed! In the end it amounted to somewhere around $65 billion (Markopolos KL 3261-65).

How could he have fooled the brightest people in the business for so long? The answer...was that he didn't. The fact that there was something strange going on with Bernie Madoff's operations was not a secret on Wall Street. As soon as Markopolos started asking questions, he discovered that people had been questioning Madoff's claims for a long time; but even those people who had questioned his strategy had accepted his nonsensical explanations—as long as the returns kept rolling in. The fact is that Madoff's accountant for 17 years, beginning in 1992, was David Friehling, who definitely was not his brother-in-law as some had alleged. Friehling operated out of a small storefront office in a small town as its auditor. Brother-in-law or not, this certainly should have been a major stop sign. As Markopolos was to learn over the next few years, the SEC had been created to monitor the stock market and it really had never evolved with the industry. Its investigators had neither the experience nor the training to understand something fairly complicated like fixed income, e.g., an array of investments that yields a specific return on a regular basis but is much more complex than it initially appears.

II. The Righteous Mind

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If you were sure that no one would ever find out that you had done something wrong, would you do it? According to the legend, Gyges of Lydia was a shepherd in the service of King Candaules of Lydia. After an earthquake shook the ground, a cave was revealed in a mountainside where Gyges was feeding his flock. Entering the cave, Gyges discovered that it was in fact a tomb with a bronze horse containing a corpse, larger than that of a man, who wore a golden ring, which Gyges pocketed. He discovered that by adjusting the ring, he received the power to become invisible. Gyges then arranged to be chosen as one of the messengers who reported to the king as to the status of the flocks. Arriving at the palace, Gyges used his new power of invisibility to seduce the queen, and with her help he murdered the king, and became king of Lydia himself. (Wikipedia). The suggestion is that most of us would do that, thus it is not a case of a few bad apples spoiling the bushel. We are all subject to this temptation.

You don’t need a social scientist to tell you that people behave less ethically when they think nobody can see them. That was Glaucon’s point about the ring of Gyges, and a great many social scientists have proven him right. For example, people cheat more on a test when the lights are dimmed. They cheat less when there is a cartoonlike image of an eye nearby, or when the concept of God is activated in memory merely by asking people to unscramble sentences that include words related to God. Creating gods who can see everything, and who hate cheaters and oath breakers, turns out to be a good way to reduce cheating and oath breaking. (Righteous p. 256). But what about us, would we be like all the others?

Learning begins with perception, but we can only see what we think is relevant. Thus a metaphor for today is that the world is a machine and we control it. We design the machine and turn it on and off. We drive the car. But this is not the only metaphor that we can envision. Jonathan Haidt asks us to imagine that the mind is divided, like a rider on an elephant, and the rider’s job is to serve the elephant. The rider is our conscious reasoning—the stream of words and images of which we are fully aware. The elephant is the other 99 percent of mental processes—the ones that occur outside of awareness but that actually govern most of our behavior. (Righteous, KL Introduction). His argument is that the elephant (intuition) controls where we are going and the rider (our reasoning) is merely along for the ride. Intuitions drive our behavior and reasoning or logical arguments are merely there to justify what we have already done.

Our predecessors lived in a world full of domesticated animals. They were familiar with the struggle to assert one’s will over a creature much larger than the self. I can tell the elephant to turn, to stop, or to go. I can direct things, but only when the elephant doesn’t have desires of his own. When the elephant really wants to do something, I’m no match for him. (Happiness, p. 4) In other words intuition comes first, and then we rationalize to justify our action.

If we are just a rider, we won’t control the outcome. We will have to rethink our rationalizations. Haidt continues that many rationalists have asserted that the ability to reason well about ethical issues causes good behavior. They believe that reasoning is the road to moral truth, and they believe that people who reason well are more likely to act morally. But if that were the case, then moral philosophers—who reason about ethical principles all day long—should be more virtuous than other people, but they aren’t. The philosopher Eric Schwitzgebel tried to find out. He used surveys and more surreptitious methods to measure how often moral philosophers give to charity, vote, call their mothers, donate blood, donate organs, clean up after themselves at philosophy conferences, and respond to emails purportedly from students. And in none of these ways are moral philosophers better than other philosophers or professors in other fields. (Righteous, p. 88)
Haidt declares that “If you think that moral reasoning is something we do to figure out the truth, you’ll
be constantly frustrated by how foolish, biased, and illogical people become when they disagree with
you. But if you think about moral reasoning as a skill we humans evolved to further our social
agendas— to justify our own actions and to defend the teams we belong to— then things will make a
lot more sense. Keep your eye on the intuitions, and don’t take people’s moral arguments at face value.
They’re mostly post hoc constructions made up on the fly, crafted to advance one or more strategic
objectives.” (Righteous, KL 100-110)…”And if our goal is to produce good behavior, not just good
thinking, then it’s even more important to reject rationalism and embrace intuitionism. Nobody is ever
going to invent an ethics class that makes people behave ethically after they step out of the classroom.
Classes are for riders, and riders are just going to use their new knowledge to serve their elephants
more effectively.” (Righteous, KL 1753-59).

When does the elephant listen to reason? The main way that we change our minds on moral issues is
by interacting with other people. (Righteous p. 69).

III. The Honest Truth

The rational argument is that people will choose to be honest if only they can be presented with the
right analysis. The previous section questioned that view. Haidt argued that emotion or intuition
comes before and rational analysis is used to justify. Dan Ariely comes at the problem through
behavioral economics.

Ariely and his co-investigators have spent years investigating how people act when they believe that no
one will see what they have done. In essence he is testing the validity of the Ring of Gyges story. In
one experiment students were asked to answer 50 multiple-choice questions. The participants were
paid varying amounts for the number of correct answers. The first group was not given a chance to
cheat and answered an average of 32.6 correctly. In the second case the students transferred their
answers from a worksheet to a bubble sheet which contained (inadvertently!) the right answers, but
turned in the worksheet with the bubble sheet. Thus a person could cheat, and there was a chance that
they could be discovered since they turned in both sheets. The average went up to 36.2, about 10
percent. In the third iteration the students shredded their paper answer sheet but turned in their
bubble sheet (again with the right answers). This time the average was 35.9, about the same as the
second case. Finally, the participants in the fourth case were told to destroy both their work sheet and
their bubble sheet and simply report how many they answered correctly. The average in this case was
36.1. The answers were not skewed toward a few participants who cheated on a large scale, but rather
by many who cheated a little bit. (PI p. 277) What was surprising was that there was almost no
difference between the second, third, and fourth cases when it was possible to cheat with no or with
almost no chance of being caught. Ariely’s explanation for these results is that people will cheat up to a
limit where they can still say to themselves that they are honest.

His results are consistent with companies who find ways to cheat a little bit. For example credit card
companies may raise interest rates ever so slightly for no apparent reason and invent all kinds of
hidden fees and penalties, or banks who slow down check processing so that they can hold on to our
money for an extra day or two or charge exorbitant fees for overdraft protection and for using ATMs.
(HT pp. 239-240).

A second study shows the importance of context. Here Ariely runs a test which included Pitt and
Carnegie Mellon students. They are given tests that cannot reasonably be completed in the allocated
time. If the exam is at Pitt and a Carnegie-Mellon (wearing a Carnegie-Mellon sweatshirt) student gets
up early in the test and announces that he is finished, the Pitt students are less likely to cheat, but, if

Accompanying PowerPoint presentations are on ACBSP website
the situation is reversed and a Pitt (sweatshirt) student leaves early, the Pitt students are given permission to cheat and are more likely to do so. Perhaps more revealing is the Coca Cola test. In this situation Ariely put six cans of coke in several common refrigerators at a university dorm. In 72 hours all the cokes were gone. At the same time he put six one dollar bills in others refrigerators and no one took the money (PI p. 295-96). He looks at a variety of situations and concludes that we are more reluctant to steal money than we would be to “take” nonmonetary things. One of his examples is that if we needed a pen or pencil for home, we would take a pencil from work without even thinking about it, but we would not take cash from petty cash to buy the same pencil.

Another experiment used the basic situations that we have examined above, but this time the participants were given tokens which they had to take across the room and then exchange them for cash. Those who couldn’t cheat answered 3.5 questions (out of 20) correctly. Participants in the second group who destroyed their worksheets “answered” 6.2 questions and received an equivalent amount of tokens. Those who did not turn in either the worksheet or the bubble sheet claimed to answer 9.4 problems. (PI pp. 298-299). In this test, people could change their tokens into cash by simply walking across the room. But what if they had to wait several days, weeks, or even years to change them into cash (stock options for example), would they be even less honest? There is reason to think so. A further result is that other students were asked if the students participating in the study were more likely to cheat if they were given tokens that they could later exchange for money rather than to be given the money directly. They thought there would be no difference. They didn’t see that the participants would treat tokens differently than money. (PI p. 300)

So far, the results do not inspire confidence that most of us will make “honest” decisions, tempered by results that we will only cheat a little. Does Ariely report any results that indicate people will act honestly? Yes, when participants were asked to write down the Ten Commandments before they participated in the familiar tests. In this case cheating dropped to zero, even when the students had the opportunity to cheat. This was true even if the person could remember only a few of the commandments. Students who were asked to write down ten books that they had read in high school showed no effect. In a follow-up, Ariely asked MIT students to sign the MIT honor code before MIT students participated and again there was no cheating. MIT does not have an honor code. However, Princeton has one. If Princeton students signed the honor code before they participated, the results were also no cheating. However, if they were not asked to sign their honor code, they cheated just like all the others who were given the opportunity (HT pp. 42-43).

So what is the implication of this? Diana Hendriques suggests that one of the reasons Madoff (347) was able to get away with lying:

Time and time again, people caught Madoff in an obvious lie and gave him the benefit of the doubt. They didn’t do this because he seemed so different from them, but because he seemed so much like them, only better; smarter, more experienced, more confident, more in control. Because he was fundamentally human and seemed to live in the same world they did, they could not believe that somehow it would all work out, that they could ignore unpleasant realities without incurring unpleasant consequences.

Lying seemed to make Madoff human, but that was not the end of the story (Henriques, p105): [Peter] Lamore was furious. “I just remember sitting there in the testimony saying, he’s lying,” he recalled years later. “It was just remarkable to me.” Like so many others, Lamore did not contemplate that a man who would tell such a brazen lie might also commit a brazen fraud. “I mean, ‘lying or misleading’ to ‘fraud,’ Ponzi scheme’ to me was a huge step—a huge leap.” It was a leap Bernie Madoff took every day, but the SEC failed to understand this. When its team officially closed this flawed
investigation on January 3, 2008, after a long period of inactivity, it would conclude that, despite all the
lies they had discovered, there was no evidence of fraud.

IV. What Next?

Mary Gentile has recently argued that the assumption is that most of us want to bring our whole selves
to work—skills, ambitions, and values (KL 131). Dan Ariely says, “…honesty is important to us (in a
recent survey of nearly 36,000 high school students in the United States, 98 percent of them said it was
important to be honest. But if honesty makes us feel good, if we want to be honest, why are we so
frequently dishonest?” (PI KL p. 280)

Ariely’s answer is that “we care about honesty and we want to be honest. The problem is that our
internal honesty monitor is active only when we contemplate big transgressions, like grabbing an entire
box of pens from the conference hall. For the little transgressions, like taking a single pen or two pens,
we don’t even consider how these actions would reflect on our honesty. (PI p. 279).

Moreover, Ariely suggests the problem could be far worse than often imagined. “In many cases you
aren’t dealing with real cash; you are only playing with numbers that are many steps removed from
cash. Their abstractness allows you to view your actions more as a game, and not as something that
actually affects people’s homes, livelihoods, and retirement accounts. You are also not alone. You
realize that the smart financial engineers in the offices next to yours are behaving more or less the
same way as you and when you compare your evaluations to theirs, you realize that a few of your
coworkers have chosen even more extreme values than yours. Believing that you are a rational
creature, and believing that the market is always correct, you are even more inclined to accept what
you’re doing—and what everyone else is doing—as the right way to go. Right?” (HT p. 84). But the
situation can be even worse. Gordon Gekko is your boss. Suppose he used nonmonetary means of
encouraging dishonesty. Suppose you have an oversized mortgage. Can you imagine how this would
affect you? It is under just such circumstances that nonmonetary currencies can lead us astray. They
let us bypass our conscience and freely explore the benefits of dishonesty. (PI pp. 304-305). In Haidt’s
terms it may be the rider is in full agreement with the elephant.

The rider can also forget what he knows. James Detert calls this moral disengagement. (Detert, p.
375). The elephant is in full control. Moral self-regulation can be deactivated or disengaged via eight
interrelated moral disengagement mechanisms: moral justification, euphemistic labeling, advantageous
comparison, displacement of responsibilities, diffusion of responsibility, disregarding or distorting the
consequences of dehumanization, and attribution of blame.

In recent year, strict professionalism has been replaced by flexibility, individual judgment, the laws of
commerce, and the urge for wealth and with it disappeared the bedrock of ethics and values on which
the professions had been built. (PI p. 285). This would seem to be a step backward and a movement
away from the results Ariely obtained when he did the Ten Commandments tests. If you want to
make people behave more ethically, there are two ways you can go. You can change the elephant,
which takes a long time and is hard to do. It would involve knowing who we are ahead of time. This
would mean spending many hours with the elephant. It would involve reminders of our basic moral
stance such as using Ten Commandment type reminders. Or, you can change the path that the
elephant and rider find themselves traveling on. (Righteous, p.90). This could mean recalling events
when we did do the right thing and other times when we did not (GVV). It would mean working with
the elephant so we both understood why were successful sometimes and unsuccessful at other times.
It would help us to understand that the first small ethical lapse can make it easier to repeat the action.
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Accompanying PowerPoint presentations are on [ACBSP website]
Building Dynamic Capability: Modeling Business Simulation at a UAE Women’s College

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Abstract:
This quantitative research, explores learning-by-doing, by modeling business simulation at a Higher Colleges of technology, Fujairah Women's College, UAE through a 60-sample pilot study. Using a theory driven, dynamic capabilities approach, rooted in system thinking it uses deliberate learning to develop dynamic capabilities in both path analysis, and latent construct models, which are proposed as outcomes of the study. The constructs tested were based on student experiential learning, and assessed processes of operating routines, knowledge articulation, and codification. The effect-based, path analysis model, demonstrated that the experiential factors of the course, were responsible for 19% of the variation in the coursework score, while coursework and experiential factors, were responsible for 25% of the variation in system-wide assessment scores. The partially aggregated, latent variable model achieved adequate fit between simulation experience and assessment, aligned to learning.

Keywords: Business Simulation, Strategy Game, Path Analysis, SEM, Latent Variable Model, Modeling, UAE, Experiential Learning, Learning-by-Doing, Dynamic Capability.

Paper presented:
The experiential learning, that accompanies building of dynamic capabilities in learners, is a necessary outcome from business programs and business simulation classes. If practical experiential learning is aligned with codified knowledge from the core of business studies, and is implemented to foster effective communication through the learning environment, motivated learners should exhibit knowledge growth. Knowledge growth should be evident through a judiciously designed assessment strategy. Whether or not a business program, using business strategy simulation can accomplish this mission, is a valid question.

This study investigates the use of business simulation through the development of two theoretical models. The models linked learners' business simulation experience, and the assessment process to learning. Both path analysis and latent construct models were quasi-experimentally derived from a business strategy simulation game for a Business Tactics class. Data collection required students to complete a self-reported web-based questionnaire, about their simulation experience. These results were compared to their final grade, coursework and system-wide assessments using Amos’ structural equation modeling software in SPSS 21. The response rate was 60 out 63 learners completing the exit survey, for a 95.24% completion rate across the three sections of Year 3 Business. Learners participating in the simulation were from Higher Colleges of Technology, Fujairah Women’s College, UAE, and from Human Resources, Accounting and General Business degree programs.

The web-based simulation deployed at the college is called Cesim Global Challenge (Cesim, 2013). Fourteen teams were divided into two universes of seven teams each, with each team comprised of four or five members. Students were asked to take on individual roles in production, R & D, marketing.
logistics, finance. Teams competed in a simulated global mobile handset market. Each game turn was equal to one year of simulated time, and three practice rounds were played to give learners a feel for the game, before embarking on the eight turn simulation.

At the beginning of each turn, learners first reviewed a competitive outlook scenario, consisting of estimated market conditions, including labor cost and efficiency, materials, weather, finance, and geopolitical, regional and Global economic events related to demand, and finance. Teams then estimated market demand for their products, and made decisions in each of the functional areas of the simulation, seeking to maximize total shareholder return percentage per annum, as the winning criteria over eight turns. Some decisions were strategic, such as constructing a new factory, or conducting in-house research and development which took longer for teams to realize payback and benefits. Deciding to pursue such options were compared to other strategic choices, such as purchasing a technology license from another company, rather than utilizing and developing in-house expertise, or outsourcing—in order to improve available technology or increase production.

Teams spent class time interpreting the e-text manuals, which were provided online at the provider’s website, as part of the game interface. They also prepared and delivered presentations to instructors, competitors and colleagues. Ultimately, teams needed to plan their latest turn of play. Business Tactics learners were required to submit company decisions by an 11:00 pm deadline. The simulation was available off campus, as long as learners had access to an Internet connection. Decisions were due at a frequency of one, two or three times per week, with the later game turns, experiencing the faster gameplay schedule.

Coursework consisted of presentations, written team minutes, evaluations of decisions and strategy, a reflective essay on the personal game experience, and a written group report which analyzed competitive advantage, and strategy, assessing strengths, weaknesses, opportunities, and threats in the competitive environment. Winners of the simulation were determined by total shareholder return per annum and first, second, and third place finishing teams were recognized by the director of the college. Winners' names were inscribed on a commemorative plaque that was placed on permanent display in the business wing of the college.

This paper will explore how digital e-content has been made more relevant for the learner, by promoting a more engaged style of learning. The business simulation had its own e-text materials, within a stand-alone course management system that was integrated with BlackBoard Learn, iPad, and laptops. In the first half of 2013, the college, faculty and administration designed and administered a unified online defense, based on the business simulation. This assessment was deployed as a system-wide assessment or SWA during the final exam period.

This investigation of business simulation study used a questionnaire study and data from assessment outcomes aiming to connect experiential learning and the assessment process through two SEM techniques: path analysis and latent construct modeling. The path analysis fitted a model that implied effect of seven variables derived from the learner’s simulation experience, on two outcomes from the assessment process, coursework and SWA. Using the same data, except with the inclusion of data reflecting the final course grade, an exploratory factor analysis revealed a four-factor structure; three of these factors were weakly correlated and could be aggregated and rotated to produce a two-factor model. Latent variable modeling was used to evaluate the resulting two-factor model. One factor consisted of the seven experiential variables, with the other factor being three assessment outcomes. These factors were used to predict a third latent variable: learning. The nine variables from the path model are present in the latent variable model, which has one additional assessment variable: Final Grade.
Literature Review

According to Kinzie and Joseph (2008), “a game is an immersive, voluntary and enjoyable activity in which a challenging goal is pursued according to agreed-upon rules.” Prior work by Hoffman and Nadelson, (2010) described the motivation for simulation participation as rooted in gender, task orientation, time consumption, and socialization. Huang (2010) and Warren (2008), explained how successful simulation gaming engages and motivates learners. Umble, Umble, and Arzt, (2007), identified the following benefits about participating in group-based business simulations: “(1) learning valuable lessons about working in teams and (2) having a valuable learning experience” (page 24).

The literature review focuses on research that models the ability of a simulation to use experiential learning to educate, business students toward aligned assessment outcomes. In O’Neil et al. (2005), knowledge gain and computer game play were shown to be positively related through analysis of assessment outcomes. Research of simulation gaming has the exciting potential, to explore the ways educators in the digital age, create a learning environment that attracts students’ interest and engagement in ways relevant to strategic management.

Based on research in the United States using the CAPSIM simulation, Kilburn and Kilburn, (2012) proposed that student interest, evidenced by regular login to a web-based strategy simulation, was a factor in team simulation success. They recommended instructor coaching and involvement with teams comprised of members with low interest in the simulation. Ten business simulations of approximately five students per group, divided across five to six groups per simulation universe, and hence over 250 students, yielding 54 groups were used to compare group to individual dynamics in business simulation. The researchers used correlation between individual login and presence on a given team, and subsequently then measured the performance by a given team in the business simulation.

The principals proposed that students working in teams have the potential for greater diversity of thought and understanding than do students who are working alone. However, while teams tend to be more productive than solitary individuals, some such individuals bring a competitive advantage for their team through exceptionally high levels of participation or interest (Kilburn & Kilburn, 2012). This connection was determined using the statistical results of cross analysis. Key individuals on the teams were thought to be more efficient markers of overall team performance, than group-based mediators were. The researchers observed that having a key individual on the team could therefore be more important than any group-based factors in the strategy simulation (Kilburn, & Kilburn, 2012). The Kilburn study demonstrated the importance of the instructor as a mentor to weaker teams that do not have a dominant a key member(s) propelling team interest and performance in the simulation.

A larger study in Germany by Auchter and Chris (2013), using the TOPSIM business start-up simulation, featured a questionnaire response rate of 97%, of N=815 in 2007, N= 1706 in 2008, and N=1624 for a total of 4145 students distributed across 199 teams. This study alludes to the importance of gender, asking if female learners could benefit from competing against each other in a strategy simulation.

Auchter and Chris (2013) linked gender to a significant decrease in motivation post-simulation, for starting a new company. This result was for women, showing less entrepreneurial motivation than when compared to men, using a significant result from a paired t-test. The gender difference was independent of personal and family background factors, and regardless of whether participation in the simulation was voluntary or mandatory. The self-reported, lower interest of women in starting their
Hwang, Sung, Hung, Huang and Tsai, (2012) operating out of a social sciences teaching context in Taiwan, conducted a pure experiment in which one group learned using an individual role-playing game that fit their learning style, and another group learned with a different online game that had similar content, but did not fit the players' preferred learning style. In both games, learners took on the role of a King, who set off on a quest to acquire beneficial plants for the kingdom. One game was sequential and the other was holistic. The players' learning style was assessed using a modified version of an established valid instrument, the Index of Learning Style (ILS). The instrument aligned with sequential/global versions of the Felder-Silverman Learning Style Theory. Learner success was evaluated based on achievement test performance, and motivation on self-reported criteria that related to perceived ease of use and perceived usefulness. Statistical correlation was established through t-test and ANCOVA; reported reliability using Cronbach's alpha was $\alpha = .72$.

Kabeil (2009) developed the Strategic Management Game, a computer business simulation, at the University of Sharjah, UAE. The simulation allowed each of five syndicates, two products, tractors and trailers, and has three levels of technological advancement, which can be researched over five class meetings. Human resources, production, inventory, marketing and finance were other components present in the simulation.

Kabeil's game is simpler than the Business Policy Game (BPG), designed by Cotter and Frizsche, which was used previously at the same women's college for this current study. The principal
investigator has worked with BPG, and found it cumbersome to install on student’s laptops, featuring limited gameplay and lacking in realism. This might explain why it was replaced with the new Global Challenge simulation. Other reasons for changing the gaming platform were the move toward mobile learning, and the university's adoption of iPads. One advantage the new system had over the previous system was broad compatibility, and full functionality with the iPad.

Kabeil used the Felder Index of Learning Style (ILS) and mapped styles against a 5-point Likert scale, from students' self-reported answers to questions about perceptions of relevance of the game toward the acquisition of business know-how. Kabeil used the components identified by Lainema and Lainema (2007) of empowerment, dynamics, validity, intensity, holistic approach, and collective experience for their known propensity for promoting acquisition of business know-how. Constructs from business know-how were paired with ILS constructs, based on face validity, and mapping values were determined by relative weighted average and impact weighted average. For the 24 students who participated in the study, the strongest mapping of business know-how against learning style was obtained for intensity and dynamics. Other practitioners expressed similar sentiments. Kiili (2007) also developed a problem-based gaming model for business simulation. According to Kiili, the three most important criteria in educational games are authenticity, collaboration and learning by doing. These constructs align closely with the college’s learning model and provide impetus for moving forward with empirical research on structurally-based theoretical models.

**Theoretical Framework**

One goal of any business program should be the production of graduates who are capable of contributing to a firm’s success. This section demonstrates how a theory-driven approach is applicable to the study of student learning from business simulation. In 2011, Zott and Amit noted that the business model concept should be investigated in terms of the factors that elucidate how firms, such as those that employ a superior model, those that experiment with novel untested models, and firms that make wise business decisions within the parameters of existing business models, succeed in competitive environments (Zott & Amit, 2008; Zott et al., 2011). At the core of the business model concept is the goal of success of the firm where ideally, employees and management of the firm exercise an intra-firm interactive process with the environment that leads to the deployment of a dominant business model. This field of study is called dynamic capabilities building, and the evolution and adaptation dynamic capability is a distinctive attribute of firms competing in the same industry. Simulation modeling of dynamic capabilities building by Zott (2003) has captured variables identified by Zollo and Winter (2002) as factors internal and external to the organization, and that potentially contribute to the building of dynamic capabilities: experience accumulation, knowledge articulation, and knowledge codification.

*Experience accumulation* is synonymous with experiential learning from carrying out organizational routines. *Knowledge articulation* is purposeful deployment of methods that enable dissemination of lesson learned. *Knowledge codification* is the creation of durable outputs such as reports and reflections from implementation of the articulated knowledge (Zollo and Winter, 2002).

On one hand, an organization may already have a learning-by-doing knowledge base embedded in key personnel from various divisions. Having a core of business and trade specific know-how is considered essential as firm’s sought competitive advantage in the marketplace. In the Cesim Simulation the learner is engaged in, these competitive domains are marketing, production, R&D, logistics and finance. Accumulated experiential knowledge was articulated through team meetings, strategic reviews, and mentoring. Articulated knowledge was stored through the process of codification where tools,
documents, and other artifacts are preserved through computer records, hard copies of files, and prototypes (Romme et al., 2010).

In simulation gaming, under the direction of faculty who acted as mentor, student firms researched and then deployed a knowledge management scheme. Thus, students needed to understand the simulation first, and then make adjustments as their team moved forward through game play. There was a need for substantial communication, both within the class, and among individual members as firms planned their strategies. Once a sufficient level of understanding was achieved, learners could answer to the call for action. Action was represented by team strategy submissions, and creation of the codified products such as oral presentations, minutes of team meetings, (heavy on written analysis) individual reflection, and team strategy reports.

Rate of knowledge growth is thought to be related to learner buy-in to participation in the team dynamic, the mentoring process, and de-briefings taking place post game-turn (Sterman, 2000). Articulation and codification efforts should be deliberate and are primarily driven by team performance in the simulation, and in the assessment process. Learner involvement in all three performance areas was proposed as critical in knowledge growth (Romme et al, 2010).

Dynamic capability is a result of an organizational routine being developed experientially, and internalized through its articulation and subsequent coding processes. While learners making an intentional investment of time can have both positive and negative outcomes in the simulation, by participating at high level, learners become aware of causal connections. For example, a pricing decision relative to competing firms may have contingent reaction, of lost sales being a consequence of not matching features, technology and price. Mistakes made in the allocation of resources, both in the simulation and in the knowledge codification process create inertia toward diminished team performance in the simulation and the assessment.

Romme et al., 2010, proposed an interactive feedback model based on the capacitive discharge of experience and learning found in Sterman's system thinking approach, modeling business dynamics (Sterman, 2000). Romme's model consisted of codified knowledge, articulated knowledge and organizational routine, where each individual factor had its own feedback loop. Feedback loops of one factor were joined to the loops of each of the other factors. Each variable had its own positive and negative inputs, and these were levels of effort and attrition. Effort could have resulted in the production of new codified knowledge, articulated knowledge and organizational routine; attrition was the devaluation of these assets over time. A fourth variable, environmental dynamism, was blamed for attrition or organizational capabilities, and resulting negative change in the value of the asset. For example, codified knowledge, articulated knowledge and organization routine all were potentially devalued if firm characteristics became dated and less relevant as factors, toward continued success in the competitive environment. See Figure 1 for graphic representation of the model proposed by Romme et al., 2010.

In this learning-by-doing simulation, competitors could gain a pricing or R&D advantage, through timely investment or decisions. Synchronously environmental effects and market forces external to the firm were acting on the consumer to shape demand. With respect to codified knowledge, a written analysis from game turn 3 of the principal investigator's class became less relevant as the dynamic situation in the environment revealed new questions, for which prior answers did not exist.

Romme's dynamic capabilities model inertial and not static, being potentially generative of modeling the ability of systems to change. Instability in the system can arise from volatility in technology, market
and institutions. Adjusting to change is required to sustain firm success, both in the real world, and in the simulated environment (Romme et al., 2010).

Figure 1. Dynamic capabilities model of deliberate learning and environmental dynamism, proposed by Romme et al., 2010.

Methodology

Sampling Method

The identified population (i.e., sampling frame) consisted of \( N = 63 \), female Emirati Nationals, Year 3, bachelor's degree students, enrolled in BMGN N350 Business Simulation, at Higher Colleges of Technology, Fujairah Women's College. Learners were between the ages of 18 and 25 and were enrolled in three different classes, each taught by a different instructor. Toward the conclusion of the taught portion of the class, but prior to administration of the System-wide Assessment (SWA), learners were invited by email, via a unique link, to complete an online survey hosted on Survey Monkey.

The survey was constructed toward the end of the taught portion of the class by the course leader, who was also one of the three instructors for the class. The course leader did consult with the other teachers, and the students on potential survey content. The response rate was 95.25%. Sixty out of 63 learners from the sampling frame completed surveys. Completion ratio on a per-class basis was as follows: 26 out of 26 students majoring in Human Resources, along with 18 out of 19 Accounting students, and 16 out of 18 General Business students.

For maintaining stability of the statistical procedures a sufficiently large sample is required. A rule-of-thumb is ten participants per estimated parameter. The path analysis has 14 degrees of freedom, which equates to a sample size of 140 respondents. The latent construct model has 34 parameters to be
estimated, which extrapolates to 340 respondents (Kline, 2012; Schreiber et al., 2006). The study can be replicated at the end of the current school term with 19 students taking Business Tactics now. There is another opportunity in the later-half of this semester, when three additional sections complete business simulation.

Research Questions for Path Analysis

This quantitative method, quasi-experimental study to fit a path analysis model, had seven research questions, which were testable through seven hypotheses. By operationalizing the variables into a measurement instrument, the goodness-of-fit for each variable within BS-PAL—the proposed model, was evaluated using multiple regression via path analysis of observed exogenous variables related to student simulation experience, for their implied effect on observed endogenous variables of coursework and system-wide assessment.

Q1. To what extent, if any, does the variable, Important Decision Making Areas, relate to student performance on assessments?
Q2. To what extent, if any, does the variable, Individual Role Effect on Company, relate to student performance on assessments?
Q3. To what extent, if any, does the variable, Preparation to Run Own Business, relate to student performance on assessments?
Q4. To what extent, if any, does the variable, Team Placement, relate to student performance on assessments?
Q5. To what extent, if any, does the variable, Perceived Realism, relate to student performance on assessments?
Q6. To what extent, if any, does the variable, Functional Difficulty, relate to student performance on assessments?
Q7. To what extent, if any, does the variable, Functional Role, relate to student performance on assessments?

Hypotheses for Path Analysis

H1b. Important Decision Making Areas is not related to assessment outcomes.
H1a. Important Decision Making Areas is related to assessment outcomes.
H2b. Individual Role Effect on Company is not related to assessment outcomes.
H2a. Individual Role Effect on Company is related to assessment outcomes.
H3b. Preparation to Run Own Business is not related to assessment outcomes.
H3a. Preparation to Run Own Business is related to assessment outcomes.
H4b. Team Placement is not related to assessment outcomes.
H4a. Team Placement is related to assessment outcomes.
H5b. Perceived Realism is not related to assessment outcomes.
H5a. Perceived Realism is related to assessment outcomes.
H6b. Functional Difficulty is not related to assessment outcomes.
H6a. Functional Difficulty is related to assessment outcomes.
H7b. Functional Role is not related to assessment outcomes.
H7a. Functional Role is related to assessment outcomes.

Research Questions for Latent Construct Model

The quantitative investigation of ten research questions occurred through the study of associated hypotheses pairs. The basis for evaluation of the model was statistical correlation. First, using
exploratory factor analysis (EFA), in SPSS 21, an understanding of the potential structure of the data was gained. The structure was supported by the theoretical justification of Romme’s 2010 dynamic capabilities model. Four factors were extracted based on eigenvalues greater than 1 using oblique rotation. There were cross-loadings present in the data structure and evidence that the weakest three factors could be aggregated into a single factor. A two factor solution was modeled in EFA and adequate fit was obtained using Amos to model correlation with the latent endogenous variable the latent endogenous variable, Learning.

Q1. To what extent, if any, does the variable, Important Decision Making Areas, relate to student learning?
Q2. To what extent, if any, does the variable, Individual Role Effect on Company, relate to student learning?
Q3. To what extent, if any, does the variable, Preparation to Run Own Business, relate to student learning?
Q4. To what extent, if any, does the variable, Team Placement, relate to student learning?
Q5. To what extent, if any, does the variable, Perceived Realism, relate to student learning?
Q6. To what extent, if any, does the variable, Functional Difficulty, relate to student learning?
Q7. To what extent, if any, does the variable, Functional Role, relate to student learning?
Q8. To what extent, if any, does the variable, Coursework, relate to student learning?
Q9. To what extent, if any, does the variable, System-wide assessment, relate to student learning?
Q10. To what extent, if any, does the variable, Final Grade, relate to student learning?

Hypotheses For Latent Construct Model

H1₀. Important Decision Making Areas is not related to learning.
H1₁. Important Decision Making Areas is related to learning.
H2₀. Individual Role Effect on Company is not related to learning.
H2₁. Individual Role Effect on Company is related to learning.
H₃₀. Preparation to Run Own Business is not related to learning.
H₃₁. Preparation to Run Own Business is related to learning.
H₄₀. Team Placement is not related to learning.
H₄₁. Team Placement is related to learning.
H₅₀. Perceived Realism is not related to learning.
H₅₁. Perceived Realism is related to learning.
H₆₀. Functional Difficulty is not related to learning.
H₆₁. Functional Difficulty is related to learning.
H₇₀. Functional Role is not related to learning.
H₇₁. Functional Role is related to learning.
H₈₀. Coursework is not related to learning.
H₈₁. Coursework is related to learning.
H₉₀. System-wide Assessment is not related to learning.
H₉₁. System-wide Assessment is related to learning.
H₁₀₀. Final Grade is not related to learning.
H₁₀₁. Final Grade is related to learning.

Instrument

For both path analysis and latent construct studies, a unified ten-question instrument was constructed. The instrument was based on comments and feedback from the students and teachers on the perceived strengths and weaknesses of the gaming environment. Except where noted for reverse
scored items, the scoring scheme was maintained for all variables. The instrument was presented to learners at the conclusion of the simulation as an online survey via Survey Monkey at https://www.surveymonkey.com/s/LJ9C3T2.

Questions used for data collection but not analysis

The first two questions identified learners who bypassed completing the survey link sent by email. Only seven learners did this, but it was necessary as some learners requested to be able to option to complete the survey outside of the University email system. Choices of college major were Human Resources, Accounting, and General Business. For the universe question, students could select from Universe 1 or 2. Data from these questions was not used for structural equation modeling. See Table 1 below.

Question 9: The question, My company collaborated with another team or company in the simulation, was utilized for data collection, but not analysis due to reliability and validity issues. Inter-team collaboration was a feature of the simulation interaction for some teams. However, when analyzed as both a Likert-based normal and as a reverse scored variable, the overall reliability for all factors decreased substantially to the 4.21 range for Cronbach’s alpha, and factor loadings were inefficient, and thus were not included in the model.

Table 1. Questions that ensured accuracy of completed surveys

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 1.</td>
<td>What is your major?</td>
</tr>
<tr>
<td></td>
<td>Response choices were: HR, Accounting and General Business</td>
</tr>
<tr>
<td>Question 2.</td>
<td>What Universe was your team in?</td>
</tr>
<tr>
<td></td>
<td>Response choices were Universe 1 and Universe 2</td>
</tr>
</tbody>
</table>

Note. Categorical data only

Assessment Variables

The assessment variables, coursework and system-wide assessment, were endogenous (dependent variables) in the path analysis model, and, exogenous (independent) variables in a latent variable model that measured assessment as a factor. The exogenous variable Final Grade was used in the latent variable model, but not in path analysis. The assessment variables were scalar data and were converted to be compatible with the five point scale of simulation experience (SE).

Simulation experience, exogenous variables

The exogenous variables used in constructing the recursive path diagram and latent construct models for simulation experience (SE) represented by Likert-type scaled ordinal-level response data. Seven items operationally define variable SE and measure a learner's attitude toward the business simulation. These are shown in Table 3. A summation of all ratings for the seven questions relevant to this construct was calculated and averaged to yield a single average score for simulation experience. A summation of ratings (i.e. responses) for the seven questions, was calculated and averaged to yield a single average score for SE, with Strongly agree valued at 5, Agree at 4, Not sure at 3, Disagree at 2, and Strongly disagree at a value of 1 point. Reverse-scored inverted response questions, are used to evaluate...
testing reliability of the instrument. For Question 6 the scoring needed to be inverted, and added to the aggregated score, before being divided by 7, to yield the average value for this construct. See Table 2.

| Question 3. | What was your team's placement at the end of the Game Turn 8 by total shareholder return (TSR) % per annum? |
| Question 4. | The CESIM business simulation is realistic. |
| Question 5. | Business Simulation has made me better prepared to run my own business. |
| Question 6. | I understand how my role in business simulation affected our company's performance in the game. |
| Question 7. | My main function(s) in the simulation was? (Pick as many as apply.) |
| Question 8. | Rank the following functional areas from most difficult (1) to easiest (7). |
| Question 10. | Which were the most important decision-making areas in the game? |

Note. Respondents also had the opportunity to write in comments to follow-up questions.

**Data Analysis**

Model development used SPSS 21 combined with the graphical modeling package AMOS (Analysis of Moments Structures), which utilizes a user-friendly graphical interface (Kline, 1998). The quantitative investigation of research questions occurred through the study of associated pairs of hypotheses. There was no missing data, which simplified the analysis. Schreiber et al. (2006) reviewed more than 15 published studies using structural equation modeling (SEM) and the following methodology, which is the procedure used in this study, was the most common approach. A proposed model is first tested, and then modified and re-tested based on modification indices reported in the statistical output. The techniques used, factor analysis, SEM and path analysis are extensions of regression.

The basis for evaluation of the path analysis model was statistical correlation, to assess each of seven exogenous variables for alignment with the two endogenous variables and goodness-of-fit within the proposed model. Path analysis allowed a smaller sample size, and the exogenous and endogenous variables were measured. The strength of recursive (no feedback loops) path analysis is the ability to quantitatively decompose relationships among variables and evaluate the credibility of the proposed model.

The second approach used SEM which was combination of exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) to predict a latent construct: learning. The principal investigator hypothesized a two-factor model consisting of simulation experience and assessment. The data was evaluated first using EFA to determine if factor loadings were feasible and proceed to confirmation through the measurement portion of the model using AMOS (Schreiber et al., 2006). Correlation by CFA using the maximum likelihood estimator (MLM) is robust to non-normality, and appropriate for ordinal-level and scalar data (Brown, 2006). Furthermore, by using multinomial logistic regression, it will be possible to detect if correlation exists between variables and assess if multicollinearity will allow for a simpler model with fewer variable constructs (Zhang, 2009).
Normality Evaluation of Path Analysis Model (BS-PAL)

The sample, n = 60, used to construct BS-PAL; was evaluated for multivariate and univariate normality. According to Arbuckle (2013), multivariate normality of all observed variables, is a standard distribution assumption for structural equation modeling in AMOS. Multivariate analysis reveals a kurtosis value of .670 and a critical ratio of .185. Since both values are less than 1.0, the observed variables have a multivariate normal distribution—the minimum required conditions for normality have been met. There were instances where univariate normality was violated. The System-wide Assessment variable violated critical ratios for both skew and kurtosis. The variables Preparation to Run Own Business and Perceived Realism violated critical ratios for skew only; while Individual Role Effect on Company, violated kurtosis only. Kurtosis is usually a greater concern than skewness (Newsom, 2012). See Table 3 below.

<table>
<thead>
<tr>
<th>Variable</th>
<th>skew</th>
<th>c.r.</th>
<th>kurtosis</th>
<th>c.r.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional Role</td>
<td>.490</td>
<td>1.549</td>
<td>-.491</td>
<td>-.776</td>
</tr>
<tr>
<td>Functional Difficulty</td>
<td>-.589</td>
<td>-1.862</td>
<td>-.265</td>
<td>-.420</td>
</tr>
<tr>
<td>The CESIM Business Simulation is Realistic</td>
<td>-1.092</td>
<td>-3.454</td>
<td>.906</td>
<td>1.433</td>
</tr>
<tr>
<td>Better Prepared To Run My Own Business</td>
<td>-1.144</td>
<td>-3.616</td>
<td>.738</td>
<td>1.167</td>
</tr>
<tr>
<td>Understanding My Role Effect On Company</td>
<td>.295</td>
<td>.933</td>
<td>-1.429</td>
<td>-2.260</td>
</tr>
<tr>
<td>Team Placement Game Turn 8</td>
<td>-.063</td>
<td>-.199</td>
<td>-1.196</td>
<td>-1.891</td>
</tr>
<tr>
<td>Important Decision Making Areas</td>
<td>.100</td>
<td>.315</td>
<td>-1.119</td>
<td>-1.769</td>
</tr>
<tr>
<td>CW</td>
<td>-.088</td>
<td>-.278</td>
<td>-.485</td>
<td>-.766</td>
</tr>
<tr>
<td>SWA</td>
<td>-.997</td>
<td>-3.151</td>
<td>1.541</td>
<td>2.436</td>
</tr>
<tr>
<td>Multivariate</td>
<td>.670</td>
<td>.185</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. From IBM SPSS Amos 21 (2013); multivariate kurtosis is negligible with values less than 1.00.

Normality Evaluation of Latent Construct Model (E-LABS)

Normality was evaluated using descriptive statistics and tests for skew and kurtosis. Using box plots and Mahalanobis distance, it was determined that the assumptions of univariate normality were violated and multivariate normality was marginal for the latent construct model. The researcher chose to investigate normality further and generated, Kolmogorov-Smirnoff and Shapiro-Wilk statistics through SPSS 21.

Box plots revealed cases 3 and 54 of Functional Difficulty, cases 3 and 21 of both Final and SWA, and cases 22, 45, 52 and 53 from Perceived Realism were outliers. While an analysis of Mahalanobis distance observations pinpointed case 17 with a Mahalanobis d-squared value of 54.402, as the worst offender in distance from the centroid, in addition to the same problems cases already identified through analysis of the box plots. In a larger study, with a greater number of responses, a case such as Case 3 which affects normality on three variables and Case 17 for the extreme Mahalanobis distance would simply be excised from the data as part of screening. See Table 4 on the following page.

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While the maximum likelihood estimator is considered robust for non-normality (Hair, 2010), univariate and multivariate normality was quantified in terms of the latent construct mode. Prepared to Run Own Business, Perceived Realism and SWA exceeded critical ratio for skew, where the acceptance value is 3.0 or less. Critical ratios for kurtosis were within univariate standards for all but the most stringent evaluation guidelines. Maximum likelihood estimation is robust with respect to kurtosis and the multivariate statistic is 8.272, which only marginally exceeds the recommended value of 8.0 proposed by (Kline, 2012). Using Kolmogorov-Smirnov and Shapiro-Wilk method revealed that only four variables had a univariate normal distribution. See Table 5.

Table 4. Assessment of Normality: Latent Construct Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>skew</th>
<th>c.r.</th>
<th>kurtosis</th>
<th>c.r.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important Decision Making Areas (ImpDA)</td>
<td>.100</td>
<td>.315</td>
<td>-1.119</td>
<td>-1.769</td>
</tr>
<tr>
<td>Functional Role (FR)</td>
<td>.490</td>
<td>1.549</td>
<td>-.491</td>
<td>-.776</td>
</tr>
<tr>
<td>Individual Role Effect On Company (IREC)</td>
<td>.295</td>
<td>.933</td>
<td>-1.429</td>
<td>-2.260</td>
</tr>
<tr>
<td>Team Placement (TP)</td>
<td>-.063</td>
<td>-.199</td>
<td>-1.196</td>
<td>-1.891</td>
</tr>
<tr>
<td>Preparation To Run Own Business (PROB)</td>
<td>-1.144</td>
<td>-3.616</td>
<td>.738</td>
<td>1.167</td>
</tr>
<tr>
<td>Functional Difficulty (FD)</td>
<td>-.589</td>
<td>-1.862</td>
<td>-.265</td>
<td>-.420</td>
</tr>
<tr>
<td>Perceived Realism (PR)</td>
<td>-1.092</td>
<td>-3.454</td>
<td>.906</td>
<td>1.433</td>
</tr>
<tr>
<td>SWA</td>
<td>-.997</td>
<td>-3.151</td>
<td>1.541</td>
<td>2.436</td>
</tr>
<tr>
<td>Final</td>
<td>-.828</td>
<td>-2.617</td>
<td>.840</td>
<td>1.329</td>
</tr>
<tr>
<td>CW</td>
<td>-.088</td>
<td>-.278</td>
<td>-.485</td>
<td>-.766</td>
</tr>
<tr>
<td>Multivariate</td>
<td>33.088</td>
<td>8.272</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. To assess normality for SEM using the maximum likelihood estimator, Kline ignores the critical values generated by AMOS and refers to actual values of kurtosis which must be <8-10 and skew <3. Please see Kline, R. B. (2012), Principles and practice of structural equation modeling (3rd ed.). New York: Guilford.

Table 5. Multivariate Normality using Kolmogorov-Smirnov and Shapiro-Wilk Method

<table>
<thead>
<tr>
<th>Variable</th>
<th>Kolmogorov-Smirnov Statistic</th>
<th>df</th>
<th>Sig.</th>
<th>Shapiro-Wilk Statistic</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional Role (FR)</td>
<td>.099</td>
<td>60</td>
<td>.200*</td>
<td>.931</td>
<td>60</td>
<td>.002</td>
</tr>
<tr>
<td>Functional Difficulty (FD)</td>
<td>.105</td>
<td>60</td>
<td>.097</td>
<td>.951</td>
<td>60</td>
<td>.018</td>
</tr>
<tr>
<td>Final</td>
<td>.125</td>
<td>60</td>
<td>.021</td>
<td>.951</td>
<td>60</td>
<td>.017</td>
</tr>
<tr>
<td>Coursework (CW)</td>
<td>.157</td>
<td>60</td>
<td>.001</td>
<td>.962</td>
<td>60</td>
<td>.058</td>
</tr>
<tr>
<td>System-wide Assessment (SWA)</td>
<td>.105</td>
<td>60</td>
<td>.096</td>
<td>.941</td>
<td>60</td>
<td>.006</td>
</tr>
<tr>
<td>Importance Of Decision Area (ImpDA)</td>
<td>.160</td>
<td>60</td>
<td>.001</td>
<td>.921</td>
<td>60</td>
<td>.001</td>
</tr>
<tr>
<td>Team Placement (TP)</td>
<td>.118</td>
<td>60</td>
<td>.038</td>
<td>.919</td>
<td>60</td>
<td>.001</td>
</tr>
<tr>
<td>Perceived Realism (PR)</td>
<td>.287</td>
<td>60</td>
<td>.000</td>
<td>.808</td>
<td>60</td>
<td>.000</td>
</tr>
<tr>
<td>Preparation To Run Own Business (PROB)</td>
<td>.251</td>
<td>60</td>
<td>.000</td>
<td>.806</td>
<td>60</td>
<td>.000</td>
</tr>
<tr>
<td>Individual Role Effect On Company (IREC)</td>
<td>.282</td>
<td>60</td>
<td>.000</td>
<td>.826</td>
<td>60</td>
<td>.000</td>
</tr>
</tbody>
</table>

* This is a lower bound of the true significance. Test for Significance of non-normality, $p < .05$. a. Lilliefors Significance Correction

Reliability

Accompanying PowerPoint presentations are on ACBSP website
Reliability assessed using SPSS 21 to a computed Cronbach’s $\alpha$ for the path analysis model was > .568, for all constructs. Reliability assessed using Cronbach’s $\alpha$ for the latent construct model was > .591, for all constructs. These reliability estimates are low and .70 or higher is targeted (Agarwal & Selen, 2009; Cronbach, 1951; Field, 2009). Low estimated reliability is in part due to only having a few questions; however, the estimates fall within the moderate category of the relaxed reliability standards of Babbie (2010) and Sekaran (2003). Babbie (2010) allows for some flexibility when conducting inductive research with new instruments in the social sciences.

**Power Analysis**

The sample size of $n = 60$ was assessed for implied statistical power at significance level or alpha error probability of $\alpha = .05$. A test’s power is the probability of correctly rejecting the null hypothesis when it is false. Statistical power is signified by $\beta$, where a value for $\beta \geq .80$ is desirable (Ellis, 2010).

Power analysis shows the latent construct model requires a significantly larger sample size of 414 to detect a medium effect, shown at the end of both following figure and table. See Table 6a and Figure 2a below and on the following pages. An a priori analysis of statistical power of the path analysis model revealed that in order to achieve a 95% level of power for beta, and be able to detect a medium effect, a sample size of 243 was required. A post hoc analysis was performed; and a sample size of $n = 60$ is sufficient to achieve an 82% power level when seeking evidence of a large effect. When the post hoc test is applied to a sample size of $n = 60$ in consideration of a searching for evidence of a medium effect, statistical power of beta is only 34%. This indicates that the sample size is too small to reliably detect any results except for a large affect. Replication with multiple samples or larger samples would be required to demonstrate the stability of the results (Schreiber, 2006). See Table 6b and Figure 2b for statistical power analysis of the path analysis model.

<table>
<thead>
<tr>
<th>Table 6a. Protocol of power analysis: A priori for latent factor model</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$ tests - Goodness-of-fit tests: Contingency tables</td>
</tr>
<tr>
<td><strong>Analysis:</strong> A priori: Compute required sample size</td>
</tr>
<tr>
<td><strong>Input:</strong> Effect size $w$ (medium) = 0.3</td>
</tr>
<tr>
<td>$\alpha$ err prob = 0.05</td>
</tr>
<tr>
<td>Power (1-$\beta$ err prob) = 0.95</td>
</tr>
<tr>
<td>Df = 34</td>
</tr>
<tr>
<td><strong>Output:</strong> Noncentrality parameter $\lambda$ = 37.2600000</td>
</tr>
<tr>
<td>Critical $\chi^2$ = 48.6023674</td>
</tr>
<tr>
<td>Total sample size = 414</td>
</tr>
<tr>
<td>Actual power = 0.9504153</td>
</tr>
</tbody>
</table>

**Note.** From G*Power 3.1.7 Faul, Erdfelder, Buchner and Lang (2009); medium-large effect size as per Cohen (1992).
Table 6b. Protocol of power analysis: A priori vs. post hoc; medium vs. large effect

<table>
<thead>
<tr>
<th>χ² tests - Goodness-of-fit tests: Contingency tables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis: A priori: Compute required sample size</td>
</tr>
<tr>
<td>Input: Effect size w (medium) = 0.3</td>
</tr>
<tr>
<td>α err prob = 0.05</td>
</tr>
<tr>
<td>Power (1-β err prob) = 0.95</td>
</tr>
<tr>
<td>Df = 7</td>
</tr>
<tr>
<td>Output: Noncentrality parameter λ = 21.8700000</td>
</tr>
<tr>
<td>Critical χ² = 14.0671404</td>
</tr>
<tr>
<td>Total sample size = 243</td>
</tr>
<tr>
<td>Actual power = 0.9503250</td>
</tr>
</tbody>
</table>

| Analysis: Post hoc: Compute achieved power |
| Input: Effect size w (medium) = 0.3 |
| α err prob = 0.05 |
| Total sample size = 60 |
| Df = 7 |
| Output: Noncentrality parameter λ = 5.4000000 |
| Critical χ² = 14.0671404 |
| Power (1-β err prob) = 0.3398463 |

| Analysis: Post hoc: Compute achieved power |
| Input: Effect size w (large) = 0.5 |
| α err prob = 0.05 |
| Total sample size = 60 |
| Df = 7 |
| Output: Noncentrality parameter λ = 15.0000000 |
| Critical χ² = 14.0671404 |
| Power (1-β err probability) = 0.8205667 |

Findings

Purposive data of $n = 60$, was collected from female 18-to-25-year-old Emirati national college students, in Year 3 Bachelor of Applied Science in Business Administration, from the BMGN N350 Business Simulation course. Using a quasi-experimental approach through a pilot study, data was first evaluated by exploratory factor analysis, using principal component analysis, with oblique and orthogonal rotation with Kaiser normalization, to reveal a distinct factor structure. Next, using the maximum likelihood estimator—robust to non-normality, a recursive path analysis model was constructed. Through a series of iterations where redundant pathways were excised from the model, acceptable goodness-of-fit of the business strategy simulation—paradigm to assess learning (BS-PAL) was achieved. An efficient factor structure was also explored via two sets of factors that correlated with learning as a latent variable. These factors were simulation experience and assessment.

Figure 2b. Distributions Plot of Power Analysis; required sample size vs. achieved power. From G*Power 3.1.7 Faul, Erdfelder, Buchner and Lang (2009).
Table 7. Factor Loadings

<table>
<thead>
<tr>
<th>Four Factor Rotated Component Matrix</th>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Placement (TP)</td>
<td></td>
<td>.327</td>
<td>.476</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Realism (PR)</td>
<td></td>
<td>.877</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation To Run Own Business (PROB)</td>
<td></td>
<td>.651</td>
<td>.562</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Role Effect On Company (IREC)</td>
<td></td>
<td>.714</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>Importance Of Decision Area (ImpDA)</td>
<td></td>
<td>.586</td>
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</tr>
<tr>
<td>Functional Role (FR)</td>
<td></td>
<td></td>
<td></td>
<td>.841</td>
<td></td>
</tr>
<tr>
<td>Functional Difficulty (FD)</td>
<td></td>
<td>.382</td>
<td>.709</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coursework (CW)</td>
<td></td>
<td>.729</td>
<td>.400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>System-wide Assessment (SWA)</td>
<td></td>
<td>.901</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final</td>
<td></td>
<td>.980</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. Rotation converged after 6 rotations

Note. Rotation after 3 rotations

Goodness-of-fit measures for the path analysis model were as follows: X2 = 3.308; X2/ df = .237 where < 5, preferable < 3; Goodness-of-Fit Index (GFI) = .988 where > 0.90 is ideal; Adjusted Goodness-of-Fit Index (AGFI) = .961 where > 0.80 is ideal; Comparative Fit Index (CFI) = 1.000 where > 0.90 is ideal; Root Mean Square Residuals (RMSR) = .018 where < 0.1 and closer to 0 is ideal; Root Mean Square Error of Approximation (RMSEA) = 0.000 where less than .080 is ideal; Normed Fit Index (NFI) = .962 where > 0.90 is ideal; and Parsimony Normed Fit Index (PNFI) = .374 where > 0.60 is ideal (Garson, 2007; Kline 2012).

The fitted model proposed direct, indirect, and total effects among measured constructs, ordained by theory and empirically based presumptions (Schreiber, Stage, King, Nora & Barlow, 2006). Based upon reported squared multiple correlations estimated by the path analysis model; the business simulation—paradigm to assess learning (BS-PAL) explained 25% of the variance in the dependent variable, system-wide assessment (SWA) and 19% of variance in the dependent variable coursework (CW). A deconstruction of effects using the method of Garson (2008) yielded the following direct effects: ImpDA->SWA = 20%, IREC-> SWA = 6%, PROB->SWA = 8%, CW->SWA = 38%. See Figure 3 on the following page.
Figure 3. Business Simulation—Paradigm to Assess Learning (BS-PAL) model, showing standardized regression weights along the pathways, and squared multiple correlations at the top-right of each observed variable (IBM SPSS Amos 21).

The goodness-of-fit measures for the latent variable model that used a partially aggregated parcel (Coffman & Macallum, 2005) were as follows: X2/df = .897 where < 5, preferable < 3; Goodness-of-Fit Index (GFI) = .907 where > 0.90 is ideal; Adjusted Goodness-of-Fit Index (AGFI) = .850 where > 0.80 is ideal; Comparative Fit Index (CFI) = 1.000 where > 0.90 is ideal; Root Mean Square Residuals (RMSR) .094 where < 0.1, and closer to 0 is ideal; Root Mean Square Error of Approximation (RMSEA) = 0.000 where less than .080 is ideal; Normed Fit Index (NFI) = .962 where > 0.90 is ideal; and Parsimony Normed Fit Index (PNFI) = .727 where > 0.60 is ideal (Garson, 2007; Srieber, 2006). See Figure 4 on the following page.
Figure 4. Dynamic Capabilities Experiential Learning and Assessment of Business Simulation (E-LABs) paradigm, showing standardized regression weights along the pathways (IBM SPSS Amos 21).

The strongest correlations between factors existed between Final and System-wide Assessment at .927, Coursework and Final at .731, Perceived Realism and Preparation to Run Own Business at .538, Systemwide Assessment and Coursework at .422, Perceived Realism and Coursework at .356, Team Placement and Probability to Run Own Business at .338, Final and Probability to Run Own Business at .314 and Important Decision areas with Probability to Run Own Business at .308. of with a structural equation model. There were ten other weaker correlations and Functional Role was not significantly correlated with any other factors. Functional role had the strongest correlation with Individual Role Effect on Company at .162. The correlation matrix can be found on the following page in Table 8.
Table 8. Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>(TP)</th>
<th>(PR)</th>
<th>(PROB)</th>
<th>(IREC)</th>
<th>(ImpDA)</th>
<th>(CW)</th>
<th>(FR)</th>
<th>(FD)</th>
<th>(SWA)</th>
<th>Final</th>
</tr>
</thead>
<tbody>
<tr>
<td>(TP)</td>
<td>1.000</td>
<td>.141</td>
<td>.338*</td>
<td>.164</td>
<td>.168</td>
<td>.245*</td>
<td>.097</td>
<td>.067</td>
<td>.141</td>
<td>.208*</td>
</tr>
<tr>
<td>(PR)</td>
<td>1.000</td>
<td>.543*</td>
<td>-.035</td>
<td>.096</td>
<td>.356*</td>
<td>-.011</td>
<td>.272*</td>
<td>.112</td>
<td>.232*</td>
<td></td>
</tr>
<tr>
<td>(PROB)</td>
<td>1.000</td>
<td>.261*</td>
<td>.308*</td>
<td>.286*</td>
<td>.089</td>
<td>.058</td>
<td>.260*</td>
<td>.314*</td>
<td></td>
<td></td>
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<tr>
<td>(IREC)</td>
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<td>.133</td>
<td>.024</td>
<td>.162</td>
<td>-.083</td>
<td>.111</td>
<td></td>
<td></td>
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<tr>
<td>(ImpDA)</td>
<td>1.000</td>
<td>.082</td>
<td>.051</td>
<td>-.061</td>
<td>.261*</td>
<td>.231*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(CW)</td>
<td>1.000</td>
<td>.079</td>
<td>-.186</td>
<td>.422*</td>
<td>.731*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(FR)</td>
<td>1.000</td>
<td>.266*</td>
<td>.099</td>
<td>.041</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(FD)</td>
<td>1.000</td>
<td>.057</td>
<td>.121</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(SWA)</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.927*</td>
<td></td>
</tr>
<tr>
<td>Final</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.000</td>
</tr>
</tbody>
</table>

Note. (*) $p < 0.05$ See Brown 2006. These are factor correlations in the latent model.

Implications

Both models have inherent deficiencies. For recursive path analysis, some problems are the assumption that the causal model is measured without error, that errors/residuals are not intercorrelated, and that variables are unidirectional without feedback loops (Shreiber et al., 2006). A problem with latent factor models is inefficiency in the measurement errors typically results in underestimation of effects among variables (Coffman & MacCallum, 2005). Advantages of using a SEM package such as IBM SPSS 21 AMOS instead of traditional regression, is that tools of normality assessment, model fit, graphic modeling capability and modification indices become available (Schreiber et al., 2006).

The study had the following deficiencies. In terms of reliability, both models were at the lower end of the allowable range with the latent construct model performing slightly better. With respect to normality, while were instances of univariate non-normal data, multivariate normality criteria was met with the path analysis model, and within specification but close to the limit of being considered non-normal for the latent factor model. Having multivariate normality is more important with the procedures. The maximum likelihood estimator is the statistical procedure governing model fit robust to normality (Kline, 2012; Brown, 2006). The low statistical power can be addressed by a larger sample. It is possible that the factor Functional Role does not belong in the latent variable model due to the low correlation. However, a better fit was obtained by including Functional Role as a factor. Functional role did align negatively with Coursework and quite strongly with Systemwide Assessment, Functional Difficulty and Individual Role Effect on Company in the Path Analysis Model warranting continued study of the construct.

The model development approach used here was a post-hoc method fit to a unique data set which may lack stability with new data. However, the stability of the model can be tested with new data independently from additional simulation courses being run (Schreiber, et al. 2006). New and unproven paradigms, even those facing critique regarding low statistical power, or other methodological deficiencies, gain credibility when the results of several studies can be triangulated (Oxley, Rivkin and Ryall, 2010). In conclusion, while this was a pilot study using only 60 samples, both models in this study demonstrated goodness of fit.
References

Accompanying PowerPoint presentations are on ACBSP website


The University of Texas at Austin (2013). To test for Normality, Available from http://ssc.utexas.edu/software/faqs/amos


Proceedings – November 28, 2014:

A Comparative Analysis of the Academic Performance of Regular-time and Parallel-time Students in Yanbu Industrial College, KSA

Author:

Abdulmonem Alzalabani
Yanbu Industrial College

Abstract:

The purpose of this study is to compare students’ performance between parallel-time and regular-time students of business and engineering degree programs. The study is designed to gain insight into the performance of young full-time working adult, who are also enrolled in full-time evening classes at a Saudi Arabia college (Yanbu Industrial College, accredited by ACBSP and ABET) that awards Bachelor degrees in Industrial Management Technology and Engineering. Data were collected from regular-time (n = 173) and parallel-time students (n = 52) in a questionnaire format. Examination for all courses was through quizzes, assignments, a mid-term examination and a final examination. The total marks obtained were used to evaluate the students' performance through the use of cumulative and specialty GPA.

Data analysis showed that there was no significant statistical difference in students' performance between parallel-time and regular-time students. Further analysis of parallel-time students from the two specialties, Engineering and Management and whether married or single also indicates no statistical differences in their performances. The tight time schedules, limited prospects in the current jobs and self-payment for the program fees have motivated the parallel-time students to make the best use of the given opportunity.

Keywords: Parallel-time Students, regular-time students, academic performance.

Paper presented:

A Comparative Analysis of the Academic Performance of Regular-time and Parallel-time Students in Yanbu Industrial College, KSA

I. Introduction

The need to upgrade ones position through academic means is universal. This is true in the case of youths in the Kingdom of Saudi Arabia. There is a certain surge of students enrolling in both undergraduate and post graduate programs due to favorable government policies and political environment.

To cater for the sudden surge, Yanbu Industrial College, (YIC), Saudi Arabia, has started a unique parallel degree (PT) program to full-time working adults who hold the associate degree of the college. It allows them to embark on a 2 years bachelor’s degree program. The demand for this program is overwhelming as most of the employees are aware of a cap on their salary and limited promotional prospects with associate degree. The subjects, contents and work load of parallel-time program are...
exactly the same as for regular-time (RT) program. The RT and PT learners were taught by the same lecturers. They wrote similar tests, assignments, and final examinations. On completion of the programs, both were awarded the same degrees. PT students who wish to enroll for some units in the day time are also allowed to do. All the students are enrolled in Engineering (multi-discipline) and Managerial programs.

This program was introduced on an experimental basis. However, there is much reservation on the program from many quarters, including academics, due to multiple commitments of the students. Many of the students are already married and have family; therefore enrolling here means they are holding three different portfolios; full-time work, full-time study and family. Furthermore, there is a constraint on their salary as PT students need to pay for their fees on semester basis where else the RT students receive a stipend, subsidized food and free hostel.

There are ample studies on regular-time students working part-time, and in general the focus is on the number of hours worked and its implication on performance. But working full-time (40 hours, with some allowance to attend odd hour classes) and full-time classes conducted in the evening over five days in a week is new phenomenon here. This study will examines the possible link in the performance between RT and PT students and some of the issues raised by PT students. Hopefully, it can help decision makers with important feedback on the continuity of such programs in the future.

**Objective of the Study**

Therefore, the main objective of the present paper is to compare bachelorette parallel-time students’ academic performance with regular-time students and give feedback on sustainability of such program in the future.

**Research Hypotheses**

In line with the research objective, the following null hypotheses are formulated.

- **H₃**: There is no significant difference in academic performance between parallel-time students and regular-time students.
- **H₄**: There is no significant difference in academic performance between the two specialties; Engineering and Management for the parallel-time students.
- **H₅**: Either single or married has no influence in the performance of the parallel-time students.
- **H₆**: There is no significant difference in academic performance between regular-time students with experience and without experience.

**II Literature Review**

It has become a norm to combine paid work with study (Harvey, 2000; Markel and Frone, 1998). This trend is increasingly seen in the UK (Curtis and Williams, 2002) and Australia (Vickers et al., 2003). In the US according to the Journal of Organizational Behavior (1998), 50% of full-time students have part-time job. Increasing cost of education, nature of the labor market, availability of suitable jobs and whether students are paid to study are some factors known to influence the decision. For example, Dimitros and Karaliopoulou (2005) have identified lack of job opportunity in Greece to the low employment rate whereas, in the U.S (Bureau of Labour Statistics, 2005) part-time employment is high. Combining part-time work with study can improve the student’s personal and academic development opines Harvey (2000). Students who work part-time tend to be self-efficacy (Smith and Green, 2001,
2005), show greater career maturity and more responsibility (Singg, 2002). Other researchers like Pennington, Zvonkovic, and Wilson (1989) also reasoned that working students are more satisfied and confident as they are able to better manage their time besides gaining valuable experience outside of the classroom. There are opportunities to assume greater responsibility, authority and cooperative interdependence to develop networking skills (Ronald, 1984). Employers may prefer students who held part-time jobs while at college because it indicates stronger management skills. Also, there is high probability that students who work part-time will be employed on full-time basis once they graduate with the same company (Ronald, 1984). Parents and educators believe that employment ‘builds character’ and therefore support such a move (Greenberger and Steinberg, 1986). In addition, there are multiple of other gains; job skills and experience in a variety of jobs, sense of accomplishment, feeling of responsibility, and money for personal and school expenses (Green, 2001). The most gain occurs among the low-achievers (Smith and Green, 2001).

Nevertheless, part-time work can have a positive impact on the students only if it is relevant to the course taken. O’Brien and Feather (1990), Tannock (2001) and Li-Chen and Wooster (1979) researches indicate low skilled jobs (poor quality), such as a cashier, fast food worker or retail have negative effects whereas high-quality (good quality) part-time jobs develop career-related skills. Prior working experience had no effect on students’ overall academic performance as suggested by Mar et al (2010); however, they had reservation on their finding due to the inherent limitation of their study on a pharmacy school. Suja et al (2012) study on performance of postgraduate students from various backgrounds in Malaysia found mixed results for previous work experience but English proficiency influenced performance much greater.

Proper work-time balance is another factor that plays an important role (Cheng 1995). According to Barling, Rogers and Kelloway (1995), more than 20 hours of part-time work per week affects performance, increased drug and alcohol use, decreased family contacts, and cynical attitudes toward work. Mortimer (1993) reasons some of these problems to more money at their disposal and stress. Furthermore, excessive working will be in direct conflict with course requirement putting excessive pressure on students leading to stress and poor performance (Schaufeli et al., 2002a), depression from excessive and unsocial hours (Rolfe, 2002), experience burnout at work (Owusu-Ansah, 2012) and are more likely to drop out (Stern, et al., 1997).

Students who work part-time have limited time for their hobbies and extra-curricular activities (Hope, 1990) and are more likely to disengage from university life (Schaufeli et al., 2002a). Greenberger and Steinberg (1986) argued that instead of instilling work habits, many students who worked part-time at an early age were more prone to cheating and dealing with boring work. Carskadon (1999) states that students who work more than 20 hours changed their sleeping patterns resulting in later bedtimes, shorter sleeps, possibility of falling asleep during class, late arrivals at school or missing lectures. McInnes (2001) stated that younger first year students who work part-time are more likely to spend fewer days on campus, do not work with other students on areas of their course, and studied inconsistently throughout the semester. They also tend to anticipate getting lower marks, and are more likely to seriously consider deferring at an early point of their student experience. These negative factors are amplified the more hours students work, and they feel seriously burdened by over commitment.

Although merits and demerits of working has been the theme of most scholars, there is general agreement on the relationship between work hours and performance. There is some indication, though debatable, among some of the researchers to the upper limit at 20 hours of work beyond which it is detrimental to performance of students. However, working full-time and engaging in full-time studies has never been a research theme with researchers. It could be that it is not practiced anywhere or it
could be lumped into working more than twenty hours. Hence, this paper will investigate and compare the performance of students working full-time, (or saying it another way; part-time with 40 hours or more of work time) with regular-time students in a college that awards the Bachelor’s degree in Saudi Arabia and conducts the entire programs in English for the first time.

III. Research Methods and Sources of Data

A questionnaire was compiled for students enrolled in the first and second year of the Degree Program for both the Management and Engineering programs. Questionnaires are distributed during one of the lectures. Students are asked to complete the questionnaire anonymously. The data was collected two months prior to the end of semester when the student attendance was high.

Examination for management program includes multiple quizzes (15%), assignments (10%), a single midterm exam (25%) and finals (50%). For engineering program; finals is 50% (15% lab and 35% theory), mid-term 25% (10% lab and 15%), assignment 5%, quizzes 10% (5% quiz and 5% project) and a continuous lab assessment of 10%. Evaluation of students’ performance is through cumulative and specialty GPA.

A total of 225 students completed the questionnaire.

**Questionnaire Structure:**

General information comprised of a single sections as follows:

- years of working experience, marital status and the number of children and their academic performance.

IV. Data Analysis

i. **Overview**

<table>
<thead>
<tr>
<th>Specialization</th>
<th>B.Sc. Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular</td>
<td>Parallel</td>
</tr>
<tr>
<td>Engineering</td>
<td>165</td>
<td>34</td>
</tr>
<tr>
<td>Business</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>177</td>
<td>48</td>
</tr>
</tbody>
</table>

Table 1

A total of 225 students responded to the survey, Table 1, of this 78.7% are regular-time students and 21.3% are parallel-time students. For the engineering specialty, the responses are for regular time 82.9% and parallel time is 17.1%. For the business specialty, the responses are for regular is 46.2% and parallel time is 53.8%.

<table>
<thead>
<tr>
<th>Work experience</th>
<th>B.Sc. Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular</td>
<td>Parallel</td>
</tr>
<tr>
<td>Yes</td>
<td>36</td>
<td>42</td>
</tr>
</tbody>
</table>
Table 2

From table 2, it is seen that 53.8% of parallel time students have work experience during or prior to the start of BSc program as compared to 46.2% for regular time students.

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Regular</th>
<th>Parallel</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>160</td>
<td>13</td>
<td>73</td>
</tr>
<tr>
<td>Married</td>
<td>17</td>
<td>35</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>177</td>
<td>48</td>
<td>225</td>
</tr>
</tbody>
</table>

Table 3

Out of 225 students sampled, table 3, 23.1% are married of which parallel time students contribute 67.3% and regular time is 32.7%.

<table>
<thead>
<tr>
<th>Number of family members</th>
<th>Regular</th>
<th>Parallel</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>10</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>&gt;</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

Table 4

From table 4, it is seen that 9.6% of regular-time students are married with two children or more where else 75% of parallel-time students are having two children or more.

<table>
<thead>
<tr>
<th>Age of Respondents</th>
<th>Regular</th>
<th>Parallel</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-25</td>
<td>161</td>
<td>9</td>
<td>70</td>
</tr>
<tr>
<td>26-30</td>
<td>15</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>31-35</td>
<td>1</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>36-40</td>
<td>0</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>
From table 5, it is seen that 91% of regular-time students are in the age group 20-25 years where else 81.3% of parallel-time students are in groups 26-30 years and beyond with 29.2% in the age group 26-30 and 27.1% in age group 31-35.

**ii. Overall Summary of Registered Hours, Accumulative GPA and Specialization GPA**

<table>
<thead>
<tr>
<th>Registered Hour per Term</th>
<th>Accumulative GPA</th>
<th>Specialization GPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>14.81 (12.71)</td>
<td>2.62 (2.52)</td>
</tr>
<tr>
<td>Standard Error</td>
<td>0.14 (0.40)</td>
<td>0.05 (0.12)</td>
</tr>
<tr>
<td>Median</td>
<td>15.00 (12.0)</td>
<td>2.77 (2.60)</td>
</tr>
<tr>
<td>Mode</td>
<td>17.00 (10.0)</td>
<td>0.00 (2.60)</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>2.11 (2.79)</td>
<td>0.79 (0.84)</td>
</tr>
<tr>
<td>Sample Variance</td>
<td>4.47 (7.79)</td>
<td>0.63 (0.71)</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>0.70 (-1.19)</td>
<td>3.52 (1.62)</td>
</tr>
<tr>
<td>Skewness</td>
<td>-1.01 (0.20)</td>
<td>-1.65 (-1.05)</td>
</tr>
</tbody>
</table>

(Parentheses data for parallel-time students) **Table 6**

**iii. Test Result**

**iv. A. Summary of Test result for no significant difference in performance between parallel-time students and regular-time students’ accumulative GPA.**

<table>
<thead>
<tr>
<th></th>
<th>Parallel Time</th>
<th>Regular Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.54</td>
<td>2.64</td>
</tr>
<tr>
<td>Known Variance</td>
<td>0.84</td>
<td>0.56</td>
</tr>
<tr>
<td>Observations</td>
<td>52.00</td>
<td>173.00</td>
</tr>
<tr>
<td>Hypothesized Mean Difference</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>z</td>
<td>-0.74</td>
<td></td>
</tr>
</tbody>
</table>
From table 7, since the modulus of test z-score of \(-0.74\) is less than the modulus of the critical value of 1.96, we fail to reject the null hypothesis that there is no significant difference in academic performance between parallel-time students and regular-time students.

We conclude that there is no significant difference in academic performance between parallel-time students and regular-time students’ accumulative GPA at 95% level of confidence.

**B. Summary of Test result for no significant difference in performance between parallel-time students and regular-time students’ specialization GPA.**

<table>
<thead>
<tr>
<th></th>
<th>Parallel Time</th>
<th>Regular Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.53</td>
<td>2.52</td>
</tr>
<tr>
<td>Known Variance</td>
<td>0.81</td>
<td>0.63</td>
</tr>
<tr>
<td>Observations</td>
<td>52.00</td>
<td>173.00</td>
</tr>
<tr>
<td>Hypothesized Mean Difference</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(z)</td>
<td>0.06</td>
<td></td>
</tr>
<tr>
<td>(z) Critical two-tail (95%)</td>
<td>1.96</td>
<td></td>
</tr>
</tbody>
</table>

From table 8, since the modulus of test z-score of \(0.06\) is less than the modulus of the critical value of 1.96, we fail to reject the null hypothesis that there is no significant difference in academic performance between parallel-time and regular-time students’ specialization GPA.

We conclude that there is no significant difference in academic performance between parallel-time and regular-time students’ specialization GPA at 95% level of confidence.

**C. Summary of Test result for no significant difference in performance of parallel-time students in the two specialties; Engineering and IMT.**

<table>
<thead>
<tr>
<th></th>
<th>SGPA Engineering</th>
<th>SGPA IMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.43</td>
<td>2.72</td>
</tr>
<tr>
<td>Variance</td>
<td>0.58</td>
<td>1.13</td>
</tr>
<tr>
<td>Observations</td>
<td>34</td>
<td>14</td>
</tr>
<tr>
<td>Hypothesized Mean Difference</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>df</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>
Table 9

From table 9, since the modulus of test t-score of -1.078 is less than the modulus of the critical value of 2.013, we fail to reject the null hypothesis that there is no significant difference in performance of parallel-time students in the two specialties; Engineering and IMT.

We conclude that there is no significant difference in academic performance of parallel-time students in the two specialties; Engineering and IMT at 95% level of confidence.

D. Summary of Test result for either single or married has no influence in the performance of the parallel-time students.

Table 10

From table 10, since the modulus of test t-score of -0.062 is less than the modulus of the critical value of 1.971 we fail to reject the null hypothesis that there is no significant difference in academic performance between either single or married has no influence in the performance of the parallel-time students.

We conclude that there is no significant difference in academic performance between either single or married on parallel-time students at 95% level of confidence.

E. Summary of Test result for difference in academic performance between regular-time students with and without experience.

Accompanying PowerPoint presentations are on ACBSP website
Table 11

Since the modulus of test t-score of -0.067 is less than the modulus of the critical value of 1.974 we fail to reject the null hypothesis that there is no significant difference in regular-time students’ academic performance with or without working experience. We conclude that there is no significant difference in academic performance between either with working experience or without working experience of regular-time students at 95% level of confidence.

IV. Findings

V. The major findings are:

1. There is no difference in the performance of parallel-time and regular-time students’ for both the CGPA and SGPA.
2. There is no difference in the performance of parallel-time student in the Management and Engineering specialties.
3. There is no difference in the performance of parallel-time student who are single or married.
4. There is no difference in the performance of regular-time student with and without working experience.

VI. Discussion

The findings are opposed to established norms, although the parallel students are holding three different portfolios and yet able to maintain the performance in par with regular students. This is not surprising in the current situation.

There is a group of students in the Yanbu Industrial City who have reached the maximum salary scale for the associate degree level with limited promotional prospects. The only way to a higher salary and promotion for this group lies in them securing a bachelor’s degree. Also, the political situation and government push have created many openings for graduates with experience. Leaving the current job is not an option for this group who have families here to support and are reluctant to go to the next nearest city which is 370 Km away for better opportunities. Hence, when the college started the parallel-time program, this group of students grab on the opportunity immediately. And being self-paying with time not on their side, there was greater motivation to do better within the stipulated time. There were also some supports from employers with time-off given to the employees and family members, albeit, for limited time.

The result for academic performance of regular-time student with and without working experience suggest that there is not much difference between them. This is the general norm in other research of this nature; probably this is due to unrelated work experience which is a common observation among YIC students. This study did not explore on the type of job undertaken by the respondent, which is taken as a limitation of the study.
VII. Conclusion

The current study on parallel-time students’ academic performance suggests that such a program is sustainable now and can be continued in the near future. However, the long run sustainability can only be supported by subsequent analysis of future batch of students’ academic performance.

VIII. Future Research Direction

This study has given some preliminary feedback on the current scenario. Whether future students will have such push and zeal is not known. Furthermore, whether this pattern can be maintained over time can only be decided in subsequent research. Then only a decision can be made on the viability of such programs on the long run.

References


_____________________

**PLEASE NOTE IN YOUR DIARY**

We will meet again next year for the

2014 ACBSP International Conference

Athens, Greece, November 27 - 30, 2014
Proceedings – November 28, 2014:

Managing Subjectivity and Bias in Higher Education Assessment

Session Presenter:

Olin Oedekoven
Peregrine Academic Services

In this presentation, Olin Oedekoven, President and CEO of Peregrine Academic Services, discussed several reporting and data analysis enhancements made to Peregrine’s globally recognized program assessment services that are specifically designed to reduce subjectivity and bias towards effectively measuring student retained knowledge and learning outcomes.

Global Partnership Award

Session Presenters:

Vasilis Botopoulos
University of Indianapolis-Athens

&

Gasim O. Alandjani
Yanbu Industrial College

This is the first year ACBSP presented a Global Partnership Award. The purpose of the Global Partnership Award is to recognize and honor two ACBSP member schools that have found valued ways to collaborate to the benefit of students, faculty and the community and the business school. This session described how they first began their work together, the difficulties they overcame, and the benefits they have found in their work together.

CHAMPION and CO-CHAMPION Training

Session Presenter:

Doug Viehland
Executive Director, ACBSP

This session provided an orientation into the role of the CO-CHAMPIONS and CHAMPIONS on each campus. This includes why this process was established, the responsibilities, and a tour of ACBSP website. The session is open to CO-CHAMPIONS, CHAMPIONS, and persons who are interested in carrying out these responsibilities on their campus in the future.
Higher Education in the Gulf Cooperation Council: The Emerging Model

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Abstract:

The emerging Higher Education demand in the GCC is complex. Quality control by GCC educational authorities is well regulated and tough with an emphasis on properly qualified teaching staff, high levels of curriculum, and a complete fully accredited in country presence to replace unregulated and too often unaccredited “fly-in faculty” at so-called training and education establishments. Research indicates that lessons learned emphasized the need for expert, up-front planning and analysis, particularly of curricula appropriate to the GCC market. As with the globalization of industry, so with global education, national, cultural, and traditional barriers are giving way to new models of learning. The impact of the Internet and the expansion of learning across frontiers have to a great extent homogenized the basic undergraduate curriculum. GCC States are seen to offer strong potential for these niche markets as GCC parents recognize opportunities for their children to travel and experience global issues in key markets. Changing demographics also provide for additional domestic capacity for private sector employment and recognizes that this will be determined by the skills and abilities of students who are being educated in a very competitive world. Already, research money is being made available for academic research and academic research networking. Real rather than token partnerships are in place. The trend in higher education in the Gulf is clearly developing and a model is emerging which commits to a broader and deeper educational participation to promote the sharing of knowledge and preparation for life-long learning. Inevitably such sharing and preparing means that education becomes a WMD, a weapon for mass diplomacy, enabling the 21st Century GCC student to critically assess other cultures, to take the time to understand other cultures, and above all to recognize the need for tolerance for knowledge and learning that may initially be perceived as meaningless or insignificant.

The key elements of the emerging model are: • Tertiary (undergraduate) Capacity Development - the important prospect for paying students is in place and growing. • There is a demand for liberal arts skills to boost international competitiveness. • GCC States are hoping to reduce brain drain. • Recognition of needs for pre-university training to establish minimum levels of English, now not only the world language of business, but rapidly becoming the world language of education. • GCC States seek prestigious tertiary educational establishments. • Transformation of traditional rote memory training to modern constructivist learning, employing case studies and providing tools and environments that help learners interpret the multiple perspectives of today’s world. • Recognition that global education reflects inwardly on the learner who needs to learn how to explore individual talent. • A rise in educational spend is inevitable, but GCC States are experimenting (e.g. Qatar and Dubai) and seeking ways to blend private and government resources. • Preference is for formal in country institutions, so called “fly-in faculty” institutions are low priority and unlikely to be sustainable. The paper discusses this emerging trend.
**Higher education in the GCC: an emerging model**

The term Liberales Artes is good Latin. Cicero used the term in De Oratore and De Legibus. (Parker: 1892) Other writers referred to the epithet Liberales to denote what subjects were considered proper for the education of freemen, as opposed to the education of slaves. (Varro: 40BC, Seneca: 1470) The word Artes identified an essential feature of theoretical and applied skills to be taught for the benefit of young persons. Liberal Arts education was private. The government provided no funds for the education of the children of free people. Thus for the Roman Empire, a liberal arts education was reserved for the children of gentlemen. The liberal arts were, as they still are, the skills best acquired for the future generation of leaders. Thus in Arabic the best contemporary interpretation of the term “liberal arts” is مهارات مدراء (Maharaat Mudaraa’ - Farrin, 2009)

Having largely achieved the once-distant goal of providing free access to primary and secondary education for all nationals, the Gulf Cooperation Council (GCC) States—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates—now face a much thornier challenge: raising the quality of that education. (Barber, Mourshed, & Whelan, 2007)

In the Middle East, as elsewhere in the world of globalization, an unfortunate consequence of rapid expansion and heightened competition has been a short-term focus on career education. This response can be seen in the long menu of degree and on-line programs in the professions, in engineering, in law, in education and in nursing and allied health sector specialties. The focus on career has led to a shortage of “educated” graduates. Too many of our global college graduates leave college equipped with little more than a limited arsenal of short-term technical applications.

In practical terms we understand that decision-making is largely determined by the impact of career experience. (Iandoli, Landström, & Raffa, 2007) Where experience is limited to purely technical training at university, the graduate is not yet educated. That is why career experience is a pre-requisite for acceptance at the best recognized MBA programs. By contrast “educated,” that is liberal arts, graduates extend their limited arsenal of short-term technical applications with:

- Broad understanding of multi-disciplinary theories and the knowledge and the reasoning which ensures they are equipped to analyze problems they encounter after graduation and therefore to provide rational solutions to problems across academic disciplines. More simply such skills for encountering and understanding problems after graduation are described as “critical-thinking skills.”

- Recognition of the inevitability, the constancy, of change and therefore how essential a program of life-long learning is in the 21st Century. Recognition that the center of management of people is no longer focused “on the productivity of the manual worker” but increasingly “on the productivity of the knowledge worker.” The productivity of the knowledge worker the “knowledge society.” (Drucker: 1999 p 21) This requires significantly different assumptions about the need for education and particularly the need for continuing education to keep pace with the technological and socio-economic changes in the world of business.

- Excellent communication skills and recognition in a global world that, as St Ambrose wrote, “quando hic sum, non ieiuno sabbato; quando Romae sum, ieiuno sabbato,” [St Augustine, letters] colloquially translated as “when in Rome do as the Romans do,” and yet, in the original, more precisely “to observe local culture and respect diversity.” This is particularly difficult when so little background of
modern economics is traced to the medieval public-sector economics so that too often reference is made to Western financial institutions without the extraordinary influence of the Arab scholars being included in the curriculum of Arabian Gulf educational establishments. Just one example, in the context of the present world financial crisis, must be the evolution of the hisbah. The institution was headed by a muhtasib whose comprehensive functions have been summarized as ombudsman like activity to cover “truthfulness, repayment of deposits… socially harmful activities such as dishonesty, insufficient weight and measures, fraud in industries, trades and religious matters, etc.” (Ibn Taimiyah, circa 1300 Ad)

- The skills to teach, lead, and serve others via highly developed insight, understanding, and tolerance. This is not made easy in the 21st Century when the instant and enormous ignorance of many talking heads gains some measure of credibility simply on the basis of 24/7 media presentation and hype, and regardless of their inaccuracy. We know that “expert predictions” turn out to be no more reliable than “monkeys throwing darts.” (Tetlock, 2006) So the 21st Century managers’ task is no longer to "manage" people, the task is now to lead people and leadership we know “rests on core competencies” (Drucker, 2001 p 105). Of these competencies the most important is innovation (Drucker, 2001, p 106) and innovation is developed by leaders who manage personnel so that their company can recognize and bring in “creative thinkers.” (Crockett, 2009) And certainly, to attract and keep innovative personnel, requires a good knowledge of مهارات "maharaat mudaraa".

In the Middle East the trend is to the Liberal Arts because leaders recognize that the value of a barrel of oil increases dramatically as the oil is processed from its natural state into products for the global market for downstream petro products. Management in the 21st Century requires increasingly “not manual workers – skilled or unskilled – but knowledge workers.” (Drucker: 1973) The maximum exploitation by a nation of natural resources means that the nation’s “obligation to the knowledge worker never ceases.” (Deming: 1982) The management of knowledge and the recognition of initiative, creativity and critical thinking provide significant opportunity to increase wealth and employment. The lone acquisition of one or more technical subjects is not enough. The modern graduate needs to be equipped with the skills of freemen in order to manage competitively. And “management is what tradition used to call a liberal art – “liberal” because it deals with the fundamentals of knowledge, self-knowledge, wisdom, and leadership; “art” because it is also concerned with practice and application.” (Drucker: 2001, p 217)

The Liberal Arts approach to education was seen by my students recently when we undertook a study abroad trip to Germany and France. We visited the most modern plants in the manufacturing world and saw how the downstream process of oil can lead to refined byproducts of oil departing Kuwait to be further processed abroad and turned into products eventually returning to Kuwait as consumer products. We saw polystyrene building applications being manufactured at Dow Chemical for export to the construction market in Kuwait. We saw petro byproducts being processed at Merck into lipstick for supply to cosmetic companies and eventual presence on the consumer products market in Kuwait. We saw the fundamentals of the downstream process of oil and learned about the practical applications of these byproducts and, for the future, began to have a vision of what parts of the process might become domestic in Kuwait.

Thus the emerging Higher Education demand in the GCC is complex. There is not yet “a single world-class university or scientific research center in the entire Arab world or Iran today.” (Friedman: 2008 & Shanghai 2007). There has been a significant rise in the number of institutions which “has unfortunately not been accompanied by an equivalent rise in the quality of the education they dispense
--reflect(ing) a serious crisis in the higher education systems in the Arab world.” (Prince El Hassan bin Talal: 2009) To a large extent this is because the initial emphasis, state sector monopoly, saw “an authoritarian and bureaucratic model of governance” that did not encourage “creative innovations.” (Willoughby: 2008) This in turn led to national (with generous state funding) and expatriate families (with private funds) sending their children to Western universities in search of “better” education. This trend today faces significant competition. “What is keeping students in the region rather than traveling to the United States for education is sharper competition from new, local American-style universities (Ghabra and Arnold, 2007).

Whilst extra-territorial options remain important, the growing demand for in-Gulf alternatives to the state sector higher education has been seen to derive from 4 principal sources:

• An extra premium being placed on “going global” and learning good English creating an intensified demand for the Intensive English courses required to gain entry to private undergraduate institutions in the Gulf. Creating pressure for English entry standards on TOEFL and equivalent international tests to be set at USA and Western European university entrance standards. As In Europe, so in the rest of the world the English language is going global. (Tagliabue, 2002). Indeed all the current evidence in Europe “points to the imminent collapse of the European Union’s official language policy, known as “mother tongue plus two”, in which citizens are encouraged to learn two foreign languages as well as their own” (Charlemagne, 2009) and implementation of the English language simply because the majority of the young and educated nationals in Europe now learn English as the principal language for use in their future. MENA, Africa, and Asia, will inevitably follow.

• An increasing number of formally educated female nationals who quite naturally prefer to continue their undergraduate studies at home rather than abroad. This couples with the realization that female education is the key to society’s development. (El Sanabary, 1993, p 43) The importance of female education can be easily illustrated by correlating the percentage of female parliamentary representative with positions on the United Nations Human Development Index. The nations who combine the highest life expectancy, literacy, educational attainment, and GDP per capita inevitably have benefited from formal female education and particularly education in “maharaat mudaraa’.

• Available public and private local scholarships for private undergraduate education combined with expatriate children of the global world who no longer feel strong national connections with their parents’ national homes and who also prefer to continue studies at their Gulf home rather than abroad.

• Recently governments in the Gulf States have set aside significant funds to provide scholarship for national students to attend the growing population of private universities in the Gulf region. • A growing appreciation of the risk (post 9/11) and the economics (post 9/11; recently post 9/2008) and the increasing logistical complexity (Biometric Visas) of study abroad make for a simpler and safer learning environment at home which can be complimented by institutional study abroad programs. (Willoughby, 2008)

A significant development in higher education in the Gulf region is the ever tightening quality control by GCC educational authorities, such as the Private Universities Council of the Ministry of Higher Education in Kuwait. The accreditation process is now well regulated and tough. The emphasis is on properly qualified full-time teaching staff 85% of whom must have Doctoral qualifications from recognized universities. High levels of curriculum content are required and to this end Memoranda of Understanding are required from private universities who must twin their operation with a recognized foreign national university.

Accompanying PowerPoint presentations are on ACBSP website
Gulf education authorities increasingly seek institutions with a complete fully accredited in country presence. The trend is to try and replace unregulated and too often unaccredited “fly-in faculty” at so-called training and education establishments. There is also a push for private universities to seek program and foreign regional accreditation to ensure that undergraduate curricula are not “easy” versions of recognized Western curricula. Research indicates that continuing lessons learned by the Gulf authorities emphasize the need for documented, expert, up-front planning and market analysis before institutional licenses are being granted.

Legislation is also under consideration to regulate non-university private training establishments. To some extent the non-university private training establishments compete with and even undermine university education. Many of these so called training establishments promote dubious credentialing when certificates, which represent little more than attendance (and sometimes not even attendance), are offered at salubrious sometimes five star hotel facilities and at market leading prices, but which lack any real form of assessment or learning outcome measurement.

In this way some Trainers, Facilitators and other Experts and service providers exploit the market for tertiary and further education purely in the interests of profit. In the absence of regulation these establishments take advantage of the best intentions of Gulf commercial enterprises. The problem lies in coming up with a quality control mechanism which properly regulates such institutions.

As with the globalization of industry, so with global education, national, cultural, and traditional barriers are giving way to new models of learning. New technology includes the ability to take degrees from established international online undergraduate and graduate sources. Gulf accreditation authorities are faced with evaluating these credentials. The impact of the Internet and the expansion of learning across frontiers have, to a great extent, homogenized the basic undergraduate curriculum. The relatively poor bandwidth available to Gulf students is also a significant handicap to education which needs to be overcome.

GCC States are seen to offer strong potential for these niche markets as GCC parents recognize opportunities for their children to travel and experience global issues in key markets. Changing demographics also provide for additional domestic capacity for private sector employment and recognizes that this will be determined by the skills and abilities of students who are being educated in a very competitive world. Already, research money is being made available for academic research and academic research networking. Real, rather than token, partnerships are in place. The trend in higher education in the Gulf is clearly developing and a model is emerging which commits to a broader and deeper educational participation to promote the sharing of knowledge and preparation for life-long learning.

Inevitably such sharing and preparing means that education becomes a WMD, a weapon for mass diplomacy, enabling the 21stCentury GCC student to assess critically other cultures, to take the time to understand other cultures, and above all to recognize the need for tolerance for knowledge and learning that may initially be perceived as meaningless or insignificant.

The key elements of the emerging higher education model in the Arabian Gulf are:

• **Tertiary (undergraduate) Capacity development**

Capacity development, the important prospect for paying students, is in place and growing. The impact of changes in demographics which have meant an extraordinary need for additional capacity at all levels of education in the six GCC countries. The demographics of Gulf countries “characterized by
more than 3% growth and a young age profile” (30% of the population is under 30 years of age) lead inevitably to growth in healthcare and education services. (AMAL, 2008)

• **GCC States are hoping to reduce brain drain.**
There is a growing awareness of the lack of the experience necessary to exploit the talent of GCC youth at home.

At a recent meeting of the Arab ministers of Emigration they noted that out of a total of 300,000 Arab university graduates, some 70,000 (or more than 23%) immigrate annually to positions overseas. The study estimated the loss to the Arab economies at more than $1.5 billion annually. (Raphaeli, 2008)

The emigration of scientists threatens the future technological and scientific development of industry and jobs. Cairo’s Gulf Centre for Strategic Studies noted that such emigration meant the loss of up to half of their newly-qualified medical doctors, 23 percent of engineers and 15 percent of scientists each year, most moving to the United Kingdom, United States and Canada. This emigration also threatens programs to reduce Arab States’ reliance on expatriate workers. (Sawahel, 2004)

• **Recognition of needs for pre-university training to establish minimum levels of English**
English is now not only the world language of business, but rapidly becoming the world language of education. Noted above is the need for improved education in the English language as the global business language. This need also focuses on the need for fully accredited programs teaching English and the move towards standards for university education in the Gulf nearer to the standards required for entry to universities in the West. This, in turn, recognizes the need for properly trained teachers of English.

• **GCC States seek prestigious tertiary educational establishments.**
The Gulf States have been seen to establish prestige educational establishment abroad. One example is the Said Business School at Oxford and significant support has been given to Western universities to support Middle Eastern Studies and Middle Eastern students. Indeed baseless claims have been made that Arab donations to US universities may even “improperly influence professors and students of Middle Eastern studies.” (Maslen, 2008) No there is an opportunity to build up prestige in the Gulf and make sure that at least one university is ranked in the World 500 within a decade.

• **Transformation of traditional rote memory training to modern constructivist learning,**
employing case studies and providing tools and environments that help learners interpret the multiple perspectives of today’s world.

Extensive research confirms the importance of reading and discussion of experiences and there is a clear correlation showing that those who read more know more. (Schneider and Pressley, 1997) Rote memory is “akin to analog recording” (like a VHS tape) while in contrast constructivist memory is “akin to digital recording” (like a CD). Students who rely on rote memory “take in and store information,” but do not transform or categorize information in a way that makes it easy to recall. Constructivists tag, sort, organize, and therefore make future access to the knowledge they have gained easier. (Pohlman, 2007)

• **Recognition that global education reflects inwardly on the learner who needs to learn how to explore individual talent.**
Part of this exercise is accepting the discipline necessary to learning the theoretical foundations of subjects. Equally important for productive success is accepting the discipline necessary to learn how theoretical concepts are applied in practice. Such knowledge is not gained at university but earned with real work experience. A recent study of 500 global employers based in the United Kingdom noted that
they “were looking for relevant work experience, a good work ethic and a degree subject relevant to the job.” (Smith, 2006) Absent these qualities and the likely results from employment of those with degree but little or no experience is a lack of productivity and the dysfunctional bureaucracy found in organizations managed by the very well qualified but those who lack experience.

The Nobel Prize winning author Albert Camus noted, “You cannot create experience, you must undergo it.” Too often in the Gulf a returning graduate returns from success and graduation and succeeds to management without undergoing a period of experience. The vocational and apprenticeship programs in Denmark and Germany where students become “praktikant” under careful supervision and the US co-operative educational programs emphasize the importance of “experience” before the full benefits of theoretical education can be gained. The expectations of experience for entry to the best graduate MBA programs is further evidence of the value of practical experience. In the US and Europe the first hurdle in getting a full-time position is often demonstration of a minimum period of practical experience.

• A rise in educational spend is inevitable, but GCC States are experimenting (e.g. Qatar and Dubai) and seeking ways to blend private and government resources.

The initial thrust has been to encourage private philanthropic investment in higher education with accreditation being undertaken by the appropriate department within Ministries of Higher Education. This accreditation is developing and usually requires a twinning process between the university that opens in a Gulf State with an appropriate national university in the home country of the undergraduate program (e.g. British, American, Arab, Australian, European, Indian, etc.) to ensure academic program consistency.

Private philanthropic investment in education is clearly the preferred method since it provides an important cultural governor on university freedom and provides insurance of respect and sensitivity to local custom.

Instances of academic institutional support by governments are being experimented with particularly in Qatar and Dubai, but the long-term prospects for these institutions likely depends on attracting local sponsorship and investment within the shorter-term. Otherwise institutions from overseas without sponsorship are likely to be short lived.

• Preference is for formal in country institutions, so called “fly-in faculty” institutions are low priority and unlikely to be sustainable.

The problems associated with “fly-in faculty” have been outlined precisely. Fly-in faculty are employed in both accredited educational programs and in unregulated credentialing exercises. Where the “Fly-in faculty” hold doctoral or professional degrees in the subject matter and publish academic articles and have extensive practical management experience they provide the potential for increased diversity, they contribute to a broader program for students, and they contribute to research and academic core activities. A problem arises if there is no adequate quality control. Where the “Fly-in faculty” avoid quality control and provide short-term presentations which are not associated with a recognized academic or professional program they offer programs beyond the assessment of most Human Resource departments in the MENA area. Resources which might be otherwise devoted to real educational development are wasted.

Lastly and perhaps most important,
• The demand for liberal arts skills for مهارات مدراة، "maharaat mudaraa‘\ to boost international competitiveness.

Just as the Arab scholars were known for both their financial, commercial, and engineering skills, there is ready recognition that the liberal arts provide an essential broad base upon which both their technical skills and lifelong learning skills were founded. We learn from the Arab scholars that "knowledge is either a perception of the essence of things – a primitive kind of perception not accompanied by (the exercise of) judgment – or it is apperception; that is, the judgment that a thing is so." (Ibn Khaldun, 1375, p 383) Humans have the ability to think in either the right way or the wrong way. Selection of the way to be followed requires discernment, writes Ibn Khaldun; that is managerial skill.

The World Economic Forum has commissioned studies of Gulf State Economies and potential “scenarios” looking forward to 2025. Three possible scenarios for the region over the next twenty years have been developed. Of these the most likely would appear to the author to be the ‘The Fertile Gulf’ scenario.

The fertile gulf scenario describes the rise of the GCC countries as innovation hubs in a global environment characterized by robust demand for energy and increasing globalization. Regional stability gives the GCC countries the opportunity to focus on enhancing their human capital at all levels, investing heavily in education while proceeding carefully with political and institutional reforms to support their growing economies and societies. In this paper the emerging model for higher education has been described. This is the model that will continue to be the focus of Gulf countries as they enhance their human capital.

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Proceedings – November 28th, 2014:

Strategies for Student Engagement and Retention in a Business Communication
Hybrid Course Pilot

Winner of the Best Paper Award

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Abstract:

Fostering student engagement is one of the primary challenges and keys to learning in an online environment (Lehman & Conceição, 2010; Aragon, 2003; Tu, 2002). Research suggests that establishing a sense of “presence” in an online environment is essential in triggering and maintaining student engagement (Kehrwald, 2008; Gunawardena & Zittle, 1997). By presenting a business professor’s journey of piloting one of the first hybrid courses offered by her institution, this paper seeks to provide insight on how to engage students in a hybrid course format. More specifically, strategies for establishing a “presence” and tools for stimulating student engagement in a business communication hybrid course are explored. A unique comparison of student engagement in a business communication course offered in a hybrid format versus face-to-face (F2F) format is also shared and reflects the potential for a hybrid course to generate student engagement equivalent to that of an F2F course.

Keywords: business communication, student engagement, hybrid format, face-to-face format, presence

Paper presented:

Strategies for Student Engagement and Retention in a Business Communication
Hybrid Course Pilot

When I started teaching 20 years ago, my favorite part was interacting with the students and feeling the energy and excitement generated by my lectures and the discussions that ensued. I continue to enjoy such interaction to this day as a professor of business at Point Loma Nazarene University (PLNU). PLNU is a small, Christian-based, liberal arts university in the southwestern United States where I instruct business communication and direct business internships. Today, I teach my business communication course (two sections) in two different formats: one in a face-to-face format (F2F) and one in a hybrid format. While I am pleased to say that the student engagement and student satisfaction in both courses is now comparable, I faced many challenges and utilized many strategies to engage students and help bring my course to “life” in the hybrid format.

By establishing a clear rationale for learning and delivering my subject matter in an energetic manner, I always felt I succeeded in getting my students excited about my course content. I often receive comments on student evaluations describing the passion I have for my subject. One student recently wrote, “This course gave me more confidence in applying for jobs and anything else that comes along with this process. Dr. Hogelucht was a very positive teacher and kept me engaged even though it was a
7:30 a.m. class. You could tell she enjoyed teaching which made me want to work hard” (Instructional Development and Evaluation Assessment, Fall 2012).

With such a passion for my subject matter and love of student engagement and interaction, I was very reluctant when I was presented with the option to apply to participate in my institution’s “Hybrid and Online Learning Design” program. My first thought was, “I love interacting with my students in the classroom. Why would I ever want to teach online? I would be missing what I love most about teaching—student interaction.” Yet, I felt my background in teaching, strong organizational skills, and desire to engage with my students would make me a good candidate for this program, for I was determined to put online learning to the test and figure out how and if it was indeed possible to “be present” for my students at a distance. Consequently, I applied and was accepted into the program, where I designed and piloted my business communication course as a hybrid in spring 2013. Fortunately, I also taught another section of business communication in a F2F format, so I had the unique opportunity to compare my students’ experiences in both sections.

In this paper, I would like to share with you my experience in piloting one of my institution’s first hybrid courses and how I was able to engage my students in an online environment. With this in mind, I will share 1) Origination of the business communication hybrid course, 2) Background literature on creating a “presence” online, 3) Strategies aimed to establish “presence,” 4) Tools to engage students in an online environment, 5) Connecting with the disengaged student, and 6) Student evaluations of engagement in the hybrid course compared to the F2F course.

Origination of the Business Communication Hybrid Course

As previously mentioned, I serve as an associate professor of business at PLNU, which is a small, Christian-based, liberal arts university with a student population of approximately 2,400. In this institution, where student-faculty relationships are highly valued and a sense of community is of the utmost importance, there was some hesitancy over the ability to accomplish a faith-based mission in an online environment. I echoed this same concern, so part of my own mission was to figure out how to generate active student engagement in my hybrid course.

By offering one of the two business communication sections in a hybrid format (approximately 60% online and 40% face to face), I was able to address the learning needs of millennial students. Millennial students have always lived in the “Information Age,” so they have always been exposed to technology. Millennial students prefer selection/options, customization, flexibility/convenience, and exploratory learning. Although research reveals they are high achievers, they prefer to achieve through collaboration rather than individual competition (Sweeney, 2006). Additionally, 21% of millennial students (ages 18-28) are married and have other family and work obligations (Bloch, 2010). Therefore, offering business communication in a hybrid format allowed for flexibility in completing the online portion of the coursework around other obligations, yet provided for a F2F format for those activities that seem more suited to a real-time environment.

Because I consistently teach two sections of this particular course, I decided to offer one section in a hybrid format and keep the other section in the traditional F2F format for spring 2013. Having the traditional F2F format in place for one section and a hybrid format in place for the second section provided an excellent opportunity to juxtapose the two formats for the purpose of evaluating the effectiveness of the hybrid format. Having the course offered in two formats also provided an option for students who preferred one format over the other or simply desired the convenience of fewer in-class meetings indicative of the hybrid format. My business communication course is a core course for business majors and is often taken as an elective by non-business majors, so it consistently fills to the

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cap each semester it is offered and did so again for both the hybrid and F2F sections offered in spring 2013. It is in high demand because it helps students with the professionals skills needed to secure employment and to stand out in the job search process.

Additionally, many universities currently offer business courses in an online format, so this was an exciting initiative for my institution. Many small, private institutions similar to my institution offer a B.S. in business administration in either a F2F or an online format. My particular course, business communication, is offered in a F2F, hybrid, or online format at several of these institutions. Furthermore, offering online business courses is acceptable to our accrediting bodies granted certain standards are met. Needless to say, this was a significant course pilot for my institution, so I hit the ground running.

# Background on Establishing a Presence Online

To my surprise, I noticed that many texts dedicated to online learning do a great job of instructing how to design an online course but fail to mention the importance of presence or student engagement. Fortunately, my institution’s hybrid and online learning and design program really stressed not only the importance of course design, but also the importance of engaging students.

Creating a sense of presence is the key to student engagement in an online environment (Lehman & Conceição, 2010; Aragon, 2003), and the need to identify the skills that intensify social presence is critical to the learning process (Tu, 2002). Lehman and Conceição define “presence” as “being there and being together for the online learners and throughout the learning experience” (p. 3), whereas “engagement” is defined as “the participation of the instructor with learners or learners with other learners as they interact in the online environment” (p. 4). Based on these definitions, one can assume that a student will not engage or participate until the professor creates this sense of “presence.” Without the perception that a professor is a “real person” in the online environment, there is a lack of social presence and, in turn, a lack of engagement (Kehrwald, 2008; Gunawardena & Zittle, 1997). This research magnifies the need for a professor to make him/herself known and accessible in the online environment if student engagement is to ensue.

Establishing this sense of “presence” even extends to the design of the online course (Lehman & Conceição, 2010; Garrison & Cleveland-Innes, 2005). Lehman and Conceição contend that “presence is created when it looks and feels as if the instructor has placed the learner at the center of the course development and created the course for that learner” (p. 3). They believe that when thought, emotion, and behavior work together, as they do in F2F interactions, a sense of presence is created in the online environment. However, before one can engage students, he/she must establish presence and the willingness to participate in online interactions. With this research in mind, I began to design my hybrid course with the aim of initially establishing a presence that would encourage engagement.

# Strategies Aimed at Establishing a Presence

In establishing a presence in the online environment, I used some very practical strategies to let students know that I was there for them and would play an active role in this hybrid course pilot. However, in order to breathe life into this course, it would take input from all participants. By using the strategies outlined in this section, my hope was to make my presence trigger my students’ active engagement in the course. The strategies I used for establishing presence included the following: “All About Me” activity, welcome video, frequent e-mails, and detailed/timely feedback on assignments.

“All About Me” Activity
Prior to the semester starting, I e-mailed all hybrid course members introducing myself and directing them to Blackboard, where I had posted an “All About Me” activity. For this activity, I asked them to share their proudest moment, favorite subject in school, career goals, learning goals for my class, and one wish. Please see Appendix A for the Blackboard directions for this activity.

To help establish a presence, I also completed the “All About Me” activity. Prompted by the same questions, I disclosed more in this activity about myself than I shared in my verbal introduction in the F2F class. Likewise, the hybrid students shared more information in this introductory activity than the F2F students shared in their verbal introductions in class. I took time to read through each hybrid student’s posting carefully, making note of anything unique and highlighting any special gifts or talents it appeared the student possessed. I encouraged them to read their classmates’ postings and to respond to at least five other students’ postings if not more. I felt this activity really helped start to establish a sense of community and presence even before the class met for the first time. Because it was a hybrid course, we would meet in person about 40% of the semester, while the remaining 60% of the course was completed in an online format. This activity definitely gave us a “jump start” on getting to know each other, and my personalized feedback to each student showed my attentiveness and desire to “be there” for them early on.

Welcome Video

In an effort to further create a sense of presence, I made a 2-minute video of myself welcoming the hybrid students to the course. In the delivery of my brief welcome, I chose to wear a suit because I wanted to maintain a professional look, as the course deals with teaching students professional skills. However, I also made sure to make eye contact, use vocal variation, and to smile, for I wanted them to sense my approachability and my passion for my subject matter. In the content of my brief welcome, I mentioned the value of the course in preparing the students for the job search process. I also advised them to browse the course, composed of five modules, in Blackboard, as this would provide a great overview of the topics we would cover throughout the semester. Please see Appendix B for a transcription of my welcome video. I heard back from several students that they appreciated my energetic videotaped welcome and that it made them excited to come to our first class meeting. Based on this positive feedback, the welcome video was an effective way to make a personal introduction prior to the first class and help establish a sense of immediacy with my students prior to meeting them.

Frequent E-mails

I tend to reiterate assignment due dates and give reminders in my F2F classes. However, I found that in the online environment, I needed to give even more reminders regarding assignments and due dates. Many students shared with me their appreciation for the reminders, as they kept them on track. When I did not meet with my students in person, I really felt the need to touch base and let them know I was thinking about them, excited about their upcoming assignment, and here for them should they have any questions. I think this brief yet regular contact helped me maintain a sense of presence and, in turn, kept them engaged in the course.

Detailed and Timely Feedback on Assignments

Lastly, taking time to provide detailed and timely feedback on assignments may be one of the primary ways to establish presence. I have always enjoyed reading over my students’ work. I am thrilled when I see that they connect to a concept or in a sense “get it.” In addition to giving them a score on an assignment, I always try to provide qualitative comments—not only on areas of improvement but also

Accompanying PowerPoint presentations are on ACBSP website
on areas of strength. Through the years, I have found students really appreciate this detailed and timely feedback. As one student stated on a final evaluation at the end of the semester, “Your class is so useful, and I especially appreciated all of the feedback you gave us on every assignment no matter how big or small. I loved reading your comments and feeling like you actually read over and cared about what we turned in, not just glance at it like so many professors do.” Therefore, I followed this same grading process in the hybrid course pilot and found this helped me establish a presence and sense of dependability. On the formative course evaluation completed mid-semester, one student from the hybrid course stated, “I am consistently amazed by how well this hybrid course is turning out! I will admit that I was a bit skeptical to begin with, but I love the freedom to work at my own pace. I appreciate your quick feedback when questions and comments arise. Overall, this is a really great class!” I found that once the students sensed my presence and knew I was an active participant in the class, I had their buy-in and willingness to participate; however, their engagement also hinged on my ability to use the various online tools effectively.

Tools to Engage Students in an Online Environment

As a professor who has always been passionate about my subject matter and who strives to make that passion contagious, being able to engage students in an online format was of the utmost importance in my design of the hybrid business communication course. When designing the hybrid course, questions filled my mind: How could I share my excitement for my subject matter with them? How could I get them to interact and learn from each other? How could I empower them to do their work? I was fortunate to find various online tools helped address these concerns.

Oddly enough, entering with an open mind was not only a challenge, but also the solution. With a bias toward face-to-face classroom instruction, I was initially very doubtful that student engagement could be achieved in an online environment. However, the more I learned and the more I was exposed to the various online tools Blackboard offered, the more optimistic I became that I could achieve student engagement in an online environment. The training I received through my institution was exceptional, as I was taught how to navigate through our online system, Blackboard, and use the different tools, such as discussion boards, journals, and videos. Over the course of 5 months, I worked to perfect my course. However, I was encouraged by the instructional trainers not to use the term “perfect,” because things would undoubtedly change as I piloted the course. Some activities or lessons would work, and others would not. As much as I wanted to get it right the first time, I found being open to revising and learning were keys to being a successful online instructor. I found the learning curve was tremendous but very fulfilling, as I could relate to my students on their technological level and increase my own ability to use various online instructional tools at the same time.

Once I had established a presence online, I utilized several online tools to keep my students actively engaged in the course materials and assignments. The online tools I used to engage my students included discussion boards, videos, and journal reflections.

Discussion Boards

Because one of my learning outcomes was for students to leave with the ability to create and assess a professional resume, I utilized a discussion board. After I explained ways to create and organize a resume in class, one successful way I used a discussion board in my class was having my students post drafts of their resumes in Blackboard. Then, I assigned them the resumes of five other class members to evaluate. I posted a checklist of items to assess, such as grammatical errors, spacing, font size, action verbs, and organization. I set a due date and time by which feedback needed to be posted. I then asked each of them to view their feedback and post comments back to the evaluators if they had any
questions regarding the feedback. As an instructor, I found that it was helpful for me to comment as well, so they knew I was present and cared about their learning. The feedback I received from students regarding this discussion board was very positive. This is just one way I have found this online tool useful, and I hope to incorporate it more in the future.

**Video**

One challenge that I faced was how to bring my subject matter to life. As previously mentioned, my students often commented that my passion for my subject matter was contagious, so I was puzzled by how I could share that passion with them in an online environment. Then, the idea of using video was suggested by the trainers.

Consequently, with the use of my flip view video camera and iPad, I created videos to bring my course to life. With these few simple steps, I was able to create videos that helped stimulate student engagement. For instance, with the flip view video camera, I used iMovie to edit and then published the video on YouTube. When using my iPad, I simply selected the “camera/video” icon on iPad and reversed view, so I could record myself speaking. After recording the desired message and saving it, I e-mailed the video to myself and saved it to my computer. Then, I logged in to Blackboard, where I selected “build content” and scrolled down and selected “video.” After selecting video, I selected “browse my computer” to find and upload the desired video. After creating 10 short videos, I embedded them throughout my course in Blackboard to serve various purposes as outlined below.

**A welcome to the course.** As previously mentioned, I created a video welcome to the course. This was the first use of video that I incorporated into my class. Here I utilized my iPad to record myself welcoming students to the class. First, I made sure I positioned myself in a room with good lighting, so I found a room with a few windows and positioned myself at a desk where I was out of direct sunlight but could be easily seen. In terms of delivery, I dressed professionally, as I wanted to model appropriate business attire for my students. I made sure to smile and show enthusiasm for my subject matter. I have learned from the face-to-face environment that if I show excitement toward my content, my students will be more apt to approach learning with a positive attitude. For the content of my welcome video, I provided a short synopsis of the course and stressed the value the course has served for students in the past. I kept my welcome video short (approximately 2 minutes) and received many positive comments from students after they had viewed it.

**An overview of each module.**

I divided my course into five modules based on topics covered throughout the semester. For each module, I created a video with the use of my iPad and positioned the appropriate video at the beginning of each module in Blackboard (with a transcription for hearing-impaired individuals). Basically, my aim was to show enthusiasm for the content covered in the module, review learning outcomes, and clarify the deliverables for the module.

**Student testimonials.**

Every semester, I usually hear back from several former students regarding how much a particular assignment they completed in my business communication course holds even more value for them now that they are nearing graduation (resume, mock interview, etc.). As a professor, I always appreciate this feedback; however, I cannot help but wish that my current students could hear these testimonials from former students. The idea came to mind of videotaping the testimonials from former students in order to share them with my current students. Consequently, I asked for permission from several

*Accompanying PowerPoint presentations are on [ACBSP website](#)*
former students to videotape their testimonials regarding the value of a particular assignment. For the creation of these videos, I used a flip view video camera to record, iMovie to edit, and YouTube to publish. I now have many videotaped testimonials from former students stating the value of particular assignments that I have posted in Blackboard for my students to view. I have found these online testimonials help provide a rationale for my students to learn and make the most out of each assignment.

Online Journal Reflections

One pleasant surprise to me was that the faith component of the course flourished in the hybrid format. I found that the journals I set up for devotionals in the hybrid course were far superior in terms of disclosure and depth of thought compared to the discussions that ensued in the F2F class. Because the course is broken into five modules, I shared a brief devotional in both the F2F class and hybrid class at the beginning of each module. The devotional involved sharing a few Bible verses that I found related to the topic of the module. I then posed a few questions for them to think about relating to the Bible verses and the topic at hand. In the F2F course, I shared the devotional verbally during class time, and a handful of students usually shared the connection they made between the verses posed and the topic at hand. However, in the hybrid course, I shared the devotional through a brief PowerPoint (with voiceover) and required that all students post a journal reflection to the questions in Blackboard.

Through the hybrid students’ reflections, I was able to connect with each of them on a deeper level. I took a great deal of time to provide personal feedback to each of them for every reflection they submitted. I did not make this a discussion board, as I knew some might share thoughts and connections not intended for all 22 class members. In the online format, students were more open and had time to explore new and different connections to the Bible verses I posted. Some even took the time to find other Bible verses that they found connected to the topic of the module. It was truly amazing! Although I initially felt some hesitation as to the ability to establish a faith component in an online format, I found that the devotional was just as effective online (if not more effective) in terms of students sharing what was on their minds. It was almost like the online environment provided a “safe” zone for the students to explore their faith and connect with the Bible verse at hand. Due to the incredible devotional reflections I received from my hybrid students, I am considering requiring online journal reflections in the F2F class as well.

Connecting With the “Disengaged” Student

Enrollment in the hybrid and F2F business communication course remained steady throughout the semester with no students dropping. Spring 2013 Section #1 (F2F format) had 23 students enrolled and Section #2 (hybrid format) had 22 students enrolled. The F2F class had one more student than the hybrid class, because I added one student over the cap. The hybrid course filled to capacity.

In the hybrid course, I stressed the benefit of having some independence and flexibility in completing assigned work online as well as the importance of budgeting one’s time and checking Blackboard and e-mails regularly. Two students in the hybrid course received formal midterm evaluations, as they were in danger of not passing the course. I noticed that these were two students who were not organized, did not stay on top of e-mails, and were absent from several of the face-to-face class periods. In an effort to reach out to them, I spoke with each of them individually about the importance of staying on top of their assignments, checking Blackboard and e-mails, and attending all in-class sessions. Because this was a hybrid course, I think a few students had a tendency to check out at times, as they did not
have the consistent reminders in class every few days. Instead, I sent these reminders out via e-mail and posted them in Blackboard.

At the conclusion of the semester, I was pleased to report both students ended up doing fine, but this experience did reinforce the idea that students must be organized and budget their time wisely to succeed in the independent format an online course provides. Likewise, a professor who teaches in an online format must be organized and reach out to those students who appear to have checked out. Throughout this experience, I learned that it takes extra effort on both sides to be successful in an online environment. By modeling conscientious behavior as a professor, such as grading coursework in a timely manner, giving quality feedback, responding to students’ e-mails, and checking in with them regularly, a professor shows his/her students what he/she expects of them in an online environment. If a professor is absent and non-present in the online environment, the students will undoubtedly check out. When a professor and students both put forth effort in an online environment, it can be an amazing experience.

**Student Evaluations of Engagement in the Hybrid vs. F2F Format**

In order to assess the level of student engagement achieved in my hybrid communication course, I turned to the results of the Instructional Development and Evaluation Assessment (IDEA), which are the course evaluations completed by the students at the conclusion of the semester (spring 2013). Although there was not a single question that specifically used the word “engagement,” I did find several categories on the evaluation, specifically under “Teaching Styles and Methods,” that addressed what research would consider to be measures of engagement, such as stimulating student interest, fostering student collaboration, establishing rapport, encouraging student involvement, and structuring classroom experiences.

Please find in Tables 1-4 the hybrid course official IDEA scores regarding the areas (including sub-areas) identified as measures of student engagement. The tables include the average student scores based on a scale of 1-5 (1 = hardly ever, 2 = occasionally, 3 = sometimes, 4 = frequently, and 5 = almost always) along with the percentage of students rating each area as a 4 or 5 for each of the areas. Additionally, the table shows the scores from the F2F business communication class for the same categories for comparison purposes.

In Table 1, please find the students’ evaluations regarding “Stimulating Student Interest.” The sub-categories break down this category into four areas: stimulating intellectual effort, introducing stimulating ideas, inspiring students to set and achieve goals, and demonstrating the importance of the subject matter. The lowest average score in this section was a 4.6 out of 5 in the sub-category of “stimulating students’ intellectual effort.” Although the F2F course scores were just slightly higher in this area, I am still pleased with these scores considering it is the first time I have offered this course in a hybrid format. Because I teach resume writing, interviewing skills, and presentation skills, the course is very “skill” oriented. Therefore, it is understandable that students may not see the course as challenging their intellect as much as it challenges them to improve their abilities and skills. My highest score in this section dealt with demonstrating the importance of subject matter. I believe my use of videotaped introductions to each module (stressing the importance of the material contained within each module) coupled with the videotaped former student testimonials (highlighting the value of a particular concept or assignment) contributed to an encouraging score in this area.

As shown in Table 2, “Fostering Student Collaboration” was also an area covered on the IDEA evaluation form. Student collaboration is clearly an area of student engagement, so I wanted to examine my scores in this area. Although all of the scores are satisfactory, the score of 4.5 in the area
of asking students to share ideas and experiences surprised me, as I thought the score would be the highest in this area mainly because I incorporated several discussion boards and activities that required students to dialogue with each other in Blackboard. It did not surprise me that the scores for this area were higher in the F2F class, for “collaborating” is much more convenient in a F2F format and takes more deliberate structuring in an online environment. I believe by incorporating even one or two more discussion boards into my hybrid course, I can improve this score.

The points assessed under “establishing rapport” (as shown in Table 3) ranged from displaying a personal interest in the students and their learning to explaining reasons for criticisms on student performance to encouraging student-faculty interaction outside of class. These actions are very similar to strategies I utilized to establish a presence. I feel I was able to establish rapport with students effectively from the onset of the class through the welcome video, the “All About Me” activity, frequent e-mails, and giving detailed feedback on their assignments. All of these strategies not only helped me establish rapport but also helped encourage participation from the students. The average scores for the hybrid class ranged from a 4.7 to 4.9 with the average scores for the F2F course ranging from 4.8 to 4.9, so I was very pleased.

As shown in Table 4, scores for encouraging student involvement were satisfactory. I believe this was due to the nature of the course. Because business communication is a skills-based class, most of the assignments are very practical and help students prepare for the job search process. The videotaped student testimonials I incorporated into the course may have also triggered student involvement. Once again, hybrid scores were comparable to the F2F scores, but slightly lower. I believe I could improve the scores in the area of “encouraging the use of multiple resources” by stressing the use of resources more through e-mails to students and making obvious links in Blackboard to helpful resources.

Because much of what I learned through my institution’s online training program consisted of effectively structuring my hybrid course, I was thrilled to see the scores for the hybrid course in the area of “Structuring Classroom Experiences,” as shown in Table 5, to be almost identical to those of the F2F course. When comparing the percentage of students rating each question in this area a score of “4” (frequently) or “5” (almost always), the hybrid course surpassed the F2F course, with 100% of scores as either a “4” or a “5” in all sub-categories.

Conclusion

Although the feedback related to engagement on the IDEA forms for the hybrid course seems promising, the full potential of student engagement may not be reached until several more offerings of the course are completed, as I am constantly making slight revisions to elevate presence and generate more engagement. Though I was hesitant to teach in an online environment for fear of losing what I loved most about teaching—student engagement—I can say with confidence that a professor with 20 years of teaching in a F2F environment can have a satisfactory level of engagement in an online environment. It is important to have an open mind when learning new tools and realize that the engagement may take on a different look and feel in the online environment. After having successfully piloted my hybrid course, I believe establishing a presence was the foundation for building engagement with my students. By being attentive and showing my willingness and desire to engage with students through various tools, I worked with them to bring the hybrid course to life.
References

Aragon, S. R. (2003). Creating social presence in online environments. New Directions for Adults and Continuing Education. Special Issue: Facilitating Learning in Online Environments, 100, 57-68.


Instructional Development and Evaluation Assessment (Fall 2012). Evaluation results from IDEA form for Business Communication Course.


Appendices

<table>
<thead>
<tr>
<th>IDEA Question</th>
<th>Hybrid Course</th>
<th>F2F Course</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Your Rating</td>
<td>Percentage of Students</td>
</tr>
<tr>
<td>Stimulated students to intellectual effort beyond that required by most courses</td>
<td>4.6</td>
<td>91%</td>
</tr>
<tr>
<td>Introduced stimulating ideas about the subject</td>
<td>4.7</td>
<td>95%</td>
</tr>
<tr>
<td>inspired students to set and achieve goals which really challenged them</td>
<td>4.7</td>
<td>95%</td>
</tr>
<tr>
<td>Demonstrated the importance and significance of the subject matter</td>
<td>4.8</td>
<td>95%</td>
</tr>
</tbody>
</table>

Note: Scale 1= hardly ever; 2 = occasionally; 3 = sometimes; 4 = frequently, and 5 = almost always
### Table 2 - Fostering Student Collaboration

IDEA Questions in this area

<table>
<thead>
<tr>
<th>Hybrid Course</th>
<th>F2F Course</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Percentage of Average Students</td>
<td>Your Percentage of Rating 4 or 5</td>
</tr>
</tbody>
</table>

- Asked students to share ideas and experiences with others whose backgrounds and viewpoints differ from their own
  - Average Students Rating 4 or 5
  - F2F Course Rating 4 or 5
  - 4.5 86% 4.9 100%
- Asked students to help each other understand ideas and concepts
  - Average Students Rating 4 or 5
  - F2F Course Rating 4 or 5
  - 4.6 91% 4.9 100%
- Formed "teams" or "discussion groups" to facilitate learning
  - Average Students Rating 4 or 5
  - F2F Course Rating 4 or 5
  - 4.8 100% 4.9 100%

**Note:** Scale 1 = hardly ever; 2 = occasionally; 3 = sometimes; 4 = frequently, and 5 = almost always

### Table 3 - Establishing Rapport

IDEA Questions in this area

<table>
<thead>
<tr>
<th>Hybrid Course</th>
<th>F2F Course</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Percentage of Average Students</td>
<td>Your Percentage of Rating 4 or 5</td>
</tr>
</tbody>
</table>

- Found ways to help students answer their own questions
  - Average Students Rating 4 or 5
  - F2F Course Rating 4 or 5
  - 4.7 100% 4.9 100%
- Displayed a personal interest in students and their learning
  - Average Students Rating 4 or 5
  - F2F Course Rating 4 or 5
  - 4.9 100% 4.8 100%
- Explained the reasons for criticisms of students' academic performance
  - Average Students Rating 4 or 5
  - F2F Course Rating 4 or 5
  - 4.8 100% 4.9 100%
- Encourage student-faculty interaction outside of class (visits, phone calls, email, etc.)
  - Average Students Rating 4 or 5
  - F2F Course Rating 4 or 5
  - 4.8 95% 4.9 100%

**Note:** Scale 1 = hardly ever; 2 = occasionally; 3 = sometimes; 4 = frequently, and 5 = almost always
Table 4 - Encouraging Student Involvement

IDEA Questions in this area

<table>
<thead>
<tr>
<th>IDEA Questions in this area</th>
<th>Hybrid Course</th>
<th>F2F Course</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>(5 pt. scale)</td>
<td>Students</td>
</tr>
<tr>
<td>Related course material to real-life situations</td>
<td>4.9</td>
<td>100%</td>
</tr>
<tr>
<td>gave projects, tests, or assignments that required original or creative thinking</td>
<td>4.8</td>
<td>100%</td>
</tr>
<tr>
<td>Encouraged students to use multiple resources (e.g. databanks, library holdings, outside experts) to improve understanding</td>
<td>4.7</td>
<td>100%</td>
</tr>
<tr>
<td>Involved students in &quot;hands on&quot; projects - research, case studies, or &quot;real life&quot; activities</td>
<td>4.8</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: Scale 1 = hardly ever; 2 = occasionally; 3 = sometimes; 4 = frequently, and 5 = almost always

Table 5 - Structuring Classroom Experience

IDEA Questions in this area

<table>
<thead>
<tr>
<th>IDEA Questions in this area</th>
<th>Hybrid Course</th>
<th>F2F Course</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>(5 pt. scale)</td>
<td>Students</td>
</tr>
<tr>
<td>Made clear how each topic fit into course</td>
<td>4.9</td>
<td>100%</td>
</tr>
<tr>
<td>Explained course material clearly and precisely</td>
<td>4.8</td>
<td>100%</td>
</tr>
<tr>
<td>Scheduled course work (class activities, tests, projects) in ways which encouraged students to stay up-to-date in their work</td>
<td>4.9</td>
<td>100%</td>
</tr>
<tr>
<td>Gave tests, projects, etc. that covered the most important points of the course</td>
<td>4.8</td>
<td>100%</td>
</tr>
<tr>
<td>Provided timely &amp; frequent feedback on test, projects, etc. to help students improve</td>
<td>4.9</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: Scale 1 = hardly ever; 2 = occasionally; 3 = sometimes; 4 = frequently, and 5 = almost always
Understanding the Perception of Traditional Undergraduate Learners of Online Education: An Exploratory Study

Author:

Maria Gamba •
The University of Findlay

Presentation of an explorative study of the perception of online education by undergraduate students engaged in traditional undergraduate education in the digital age.

Abstract:

In Allen and Seaman (2013), Supiano reports that online enrollment grew by 9.3% in Fall 2011 in spite of total enrollment falling by 0.1% in degree-granting postsecondary institutions in the United States. Though data appear to confirm the growth of online enrollment, the 9.3% growth is the lowest in the ten-year span from Fall 2002 to Fall 2011. The number of online learners is increasing in absolute number, but its growth rate is declining. One contributing factor to this decline in the rate of growth of online students is the fact that there is a group of students who purposely prefer traditional face-to-face programs in spite of known advantages of online education. The authors of this presentation seek to understand the perception of online education by this group of students. This presentation is an explorative study of the perception of online education by traditional undergraduate students, and will be conducted through a survey involving a judgmental sample of full time undergraduate students enrolled at a private postsecondary institution.

Reference


Keywords: Online enrollment, perception of online education

Value of Honor Societies

Session Presenters:

Doug Viehland & Charles Beem
Executive Director, ACBSP President of ACBSP

This session provided a note of one of the benefits of accreditation which is to gain access to honor societies for recognition of student achievement. The presentation detailed the why, how, and value of having an honor society on every ACBSP campus.
Proceedings – Friday November 29:

21st Century Engaged Student: Skill Building in an Accredited Business Program:  
A Case Study

Author:  
Hanora O'Sullivan  
Marymount University

Abstract:  
This is a case study of a School of Business that has changed its curriculum and its culture to exceed customer and stakeholder expectations in the 21st Century. In the process, it won two state level Quality Performance Awards and received United States regional and ACBSP re-accreditation. It did so by embracing an engaged, active student learning approach to build both skills and knowledge. This approach works in all delivery modes from the fully online student classes, “blended” courses using a mix of traditional face-to-face classes and online content management internet platforms, and for the traditional face-to-face class format. This paper presents the pedagogies used in active student learning and engagement, some direct measures of student learning built into a number of relevant internet resources and lessons learned.

Key Words:  engaged student, digital, 21st century, active student learning, inverted classroom, peer teaching, critical thinking, best evidence, curriculum design

Paper presented:  
21st Century Engaged Student: Skill Building in an Accredited Business Program:  
A Case Study

Overview  
The business programs have over 500 students enrolled each semester. Semesters are fifteen weeks long with approximately 45 contact hours during that time. There is a full-time faculty of 31 and a stable pool of contract teachers (adjunct) averaging 25 in any given semester.

All of the Business school’s programs were re-accredited by a United States regional accreditor in 2007. It received the United States government sponsored Baldrige State level Award for Commitment to Continuous Improvement in 2008 and 2009. It received its second ACBSP re-accreditation in 2009.

Many of the innovative pedagogies and measurements in this case study have been employed in the Bachelor of Business Administration (BBA) program, the Masters in Business Administration (MBA), the Masters in Human Resource Management, and in a Masters in Management degree program. There is nothing that would prevent the adoption of these engaged student learning processes for any post-secondary school program.

Underlying Values and Approach
The Business School is moving from a traditional design of a set of discrete, functional “stove pipe” courses taught primarily by the lecture method to a more student-centric, active student learning pedagogy. With the changes, for example, enrollment in the MBA in Fall of the 2013-14 academic year increased by 22% in the first semester. This is in spite of being at a tuition pricing disadvantage in a highly dense and competitive United States urban market.

One unifying factor in this change process is an administrator/faculty consensus around the absolute necessity that students needed to master eight 21st Century Skills identified by the Partnership for 21st Skills at http://www.p21.org/overview/skills-framework.

These are:

- Collaboration on intellectual effort and creative activities
- Cooperation to make group/team work effective
- Communication skill in designing messages, communication processes and interpreting nonverbal communication
- Creativity in approaching all business decisions
- Organizing and controlling institutions and processes efficiently
- Problem solving via traditional logical approaches as well as more holistic (tacit knowledge and intuitive) approaches.
- Self-direction and social responsibility - learning how to learn, transferring knowledge and being a good “organizational” and “cultural” citizen.
- Technology Fluency – information and media literacy.

Active Student Learning Tactics:

Individual faculty experimented with all of the techniques in individual classes and only retained those that were considered successful. The criteria for success focused on student learning rather than student satisfaction in this early stage. This was because there was reason to believe there might be resistance to changes from the known, “sage on the stage” lecturing pedagogy to one that placed more responsibility on the students’ shoulders.

The research indicated (Greenberger et al. 2008) that at the undergraduate level in the United States there was a strong sense of entitlement among ethnically diverse undergraduate students (aged 18-25). The population studied included, in ranked order, East and Southeast Asian Americans, Caucasians, Latinos, and others. They noted a number of academically entitled attitudes. For example, students “who beleaguer their professors for higher grades, forecast dire personal outcomes if they do not get the grades they feel they deserve (or want), and expect professors and teaching assistants to go to exceptional lengths to accommodate their needs and preferences.” (Greenberger, pg. 1)

At the graduate student level there is anecdotal evidence of some resistance to heavy reliance on internet technology and resources. For example, a minority of students expressed dissatisfaction with e-textbooks, in spite of the cost savings to them. They disliked the scrolling of pages and saw little added value in the built in note taking and content highlighting features of the text. Some students went so far as to print out their e-texts at their own expense.

All of the tactics discussed in this paper have been successful in increasing student engagement, learning, and application of skills to the workplace. None are unique creations of the school. There is
a depth of research on the effectiveness of all these techniques (Kolb, 1984). What are reported here are their innovative combinations to suit a specific program.

**The Inverted Classroom, Peer Teaching and their Measurement**

These techniques are teaching the 21st Century skills of collaboration, cooperation and communication skills. The inverted or “flipped” approach requires the student to develop an understanding of the traditional key course concepts outside the classroom. Some professors place the sole responsibility on individual students to read and master the readings or textbook chapters assigned. Other professors supplement the readings with an audio or video narrated set of PowerPoint slides posted to the internet based Blackboard learning platform for content management and access to digital tools (http://www.blackboard.com). This approach frees class time for application and critique of theories. It allows for deliberate practice of the theoretical ideas.

One successful measure of this approach is the use of multiple choice questions covering the key ideas in the assigned readings. Individual students are required, either online or in class, to complete a short quiz. The quizzes are graded but the scores are not immediately reported to the students. Students had previously been assigned to a semester-long group of approximately five to seven peers. Immediately after the quiz, the group assembles to reach a consensus on the right answer for each question they had completed individually. Students who felt strongly about a given answer persuaded their group mates of its accuracy by logic, reference to reading materials, and sometimes by force of personality. They were, in fact, teaching their peers an accurate understanding of the key concepts. The group quiz was submitted and graded. All scores were then reported to the students.

Consistently, it was found that the peer taught group quizzes scored higher than the majority of the individual student quiz results. These direct assessment measures of student learning can then be used to validate the extent and depth of learning that occurred during the course. The findings are consistent with research findings on the superiority of groups over individuals in accurately completing complex tasks (Laughlin, et al., 2006; Grofman, Feld and Owen, 1984).

**Group Work with Published Exercises and their Measurement**

This is a powerful approach which allows the professor to work smarter rather than harder. It teaches the 21st Century skills of creativity in approaching all business decisions, problem solving via traditional logical approaches as well as more holistic (tacit knowledge and intuitive) approaches and organizing and controlling processes efficiently.

Again, semester-long groups are used. The rationale is that it takes time and frequent contact for a group to develop its own norms and efficient working methods (Furst, et al., 2004, Arrow, et al. 2004, Gersick, 1989). This approach parallels that of team building in the workplace. The groups’ tasks center either on interactive video cases, face-to-face or online exercises, and/or extended simulations. It is fortunate in this digital age that professors no longer have to spend time in designing these learning tools. Major textbook publishers have employed expert educational designers to create them and provide them at no cost to the professor as supplemental resources if an e-text, or hard copy text is adopted for the class. If there is a small cost ($8-15 US), it is passed to the students who purchase access to these online resources directly from the publisher.

Three outstanding examples are the web based assignment and assessment platform resources of “Connect” provided by McGraw-Hill at http://www.connect.mcgraw-hill.com/. Also the “CourseMate” resources of Southwestern Cengage Learning for highly customized learning solutions.
and course technology at [http://www.cengage.com](http://www.cengage.com). Of course, there is the prestigious Harvard Business Press cases and simulations at [http://www.hbr.org/case_studies](http://www.hbr.org/case_studies) and [http://www.hbsp.harvard.edu/list/simulations](http://www.hbsp.harvard.edu/list/simulations) respectively. For example, McGraw-Hill has a set of interactive videos on a variety of business topics. They are short scenarios enacted by practicing managers, one of whom is non-scripted and responds to the scenario on the basis of his/her managerial experience. There are a set of six multiple choice questions that groups must reach a consensus answer on. The practicing manager then has a short “second thoughts” video reflecting on what they did right or might do differently if the situation arose again. The groups are able to compare their handling of the situation with that of the experienced manager.

That publisher, along with the Harvard University resources mentioned above, produce sophisticated internet business simulations. The added value of these goes beyond the opportunity for students to run businesses and improve their decision making and group process skills. Many of these simulations are conducted with groups from multiple schools and across continents. For example, with McGraw-Hill’s Glo-Bus simulation of an international digital media company, individual groups are scored for each iteration of the simulation against all other groups using the simulation in the same timeframe at [http://www.glo-bus.com](http://www.glo-bus.com). This provides a nationally, and internationally normed direct measure of student performance that can be used for institutional benchmarking and compliance with governmental requirements of student assessment.

**Research, Information Literacy and Critical Thinking Skills and their Measurement**

The remaining 21st century skills of problem solving via traditional logical approaches as well as more holistic (tacit knowledge and intuitive) approaches, self-direction, i.e., learning how to learn, transferring knowledge from one setting to another, and technology fluency were addressed in phased individual research on a compelling business problem.

This approach has been pioneered by the European based Center for Evidence Based Management (CEBMA) at [http://www.cebma.org](http://www.cebma.org) and organizations interested in Evidence Based decision making such at [http://www.serve.org/EBDM-Resources.aspx](http://www.serve.org/EBDM-Resources.aspx). A professor can draw on the resources of multiple organizations and internally on the information literacy expertise of librarians. They do not need to be content experts in this area. The process begins with a workshop on researching in academic and professional databases, identifying “best evidence” and the basics of critical thinking. If an institution cannot afford standard business databases, access and can be purchased for an entire institution from CEBM. The current cost is $250 US for an entire year.

Post-workshop students are then instructed to create an open-ended “answerable” question. They research this over a semester and report in phased written papers over the semester on the “best evidence” they found and the answer they reached. The burden in grading written communication for a professor is substantially reduced by having only short phases (two to five pages) of the extended project to read at any given time. For the later phases, when students are assembling their best evidence and reasoning into a persuasive argument for their answer, peer feedback can substitute for the professor’s evaluation. The last phase is a three to five minute persuasive speech to an audience of peers to convince them finding the answer was worth the effort and what the answer may be. All these assignments can be conducted via Blackboard. The oral presentations can also be presented via the internet and evaluated by the professor and audience either while the speech is occurring or post-presentation. For example there are sites such as Go React at [http://www.GoReact.com](http://www.GoReact.com). This can be especially useful if guest judges from outside the institution are being used.
A variety of critical thinking measures exist, if an extended research paper is not an optimal approach. For example, the Everyday Test of Reasoning is available at Insight Assessment at http://www.insightassessment.com. It is a validated measure of critical thinking. There is free online Critical Thinking quiz at http://www.cof.orst.edu/cof/teach/for442/quizzes/91003.htm. The entire Major Fields Business Test at both the undergraduate and graduate level, is validated both to assess content knowledge of the major business functional disciplines via a global score for critical thinking at http://www.ets.org/mft.

There are multiple aspects of critical thinking. If the course is not devoted solely to improving critical thinking, then the professor must choose what particular aspects they will select for the students’ deliberate practice during the semester. J. Chaffee (2004) provides a comprehensive overview of all aspects of critical thinking. A typical focus for a graduate business class might be on the higher levels of thinking such as, analyzing issues, exploring situations by skillful questioning, viewing situations from different points of view, distinguishing assumptions from inferences, constructing and evaluating arguments, etc.

Measuring Faculty Effects of Active Learning Pedagogies

The internet and online resources have made it easier for the savvy faculty to work smarter not harder. Evidence exists that a totally online course may take longer to design and up to three times more effort than face-to-face classes for faculty. That does not have to be the case. Faculty can be coached and trained both in-house, via professional conferences and by external vendors to use the tools of the digital age to decrease the mundane and mechanical parts of teaching. Anecdotal evidence from using the active student learning tools shows that faculty evaluations by peers and administrators most frequently are positive. The pre-requisite is administrators’ trust that faculty are working hard in different roles, such as facilitator and coach which may appear to require less effort or expertise, rather than working less because they are not lecturing. It can appear that the faculty is less physically present and/or there is less evidence of what they are doing with their increasingly unstructured or less visible online work time.

Lessons learned:

- Changing to active student learning to increase engagement does not have to be a grassroots movement initiated by faculty. This can be initiated at the administrative level as long as there is a concerted effort to include faculty in the process and keep communication lines open. However, early champions among the faculty are welcome. Late adopters need to be supported with faculty development opportunities such as training, mentoring and in some cases additional academic course work.
- Changes from “sage on the stage” to facilitator may be difficult for some. Using a non-threatening “observer” role of those who made the transition often reduces both anxiety and hostility to the new pedagogies.
- Accreditors see no red flags – they do not confuse digital delivery systems with content.
- A 21st century program must teach skills as well as the traditional “silos” of discrete content fields like accounting or marketing.
- There is already a substantial array of helpful digital tools from publishers and professional organizations that continues to grow each semester.
- Once the new approach is implemented, you cannot go back. It is likely to violate stakeholder expectations and harm the institution’s reputation.
• Student buy-in may be the most difficult part of the process and as such must be an integral part of the planning process
• Measurements should be designed in, not added on.
• IT requirements are actually minimal.
• An active student learning approach modifies a school's culture. Those who do not want to assimilate into the new culture may leave the program or the institution, but this is not inevitable. Those who find more satisfaction with the new student-centric approach can be both sales people for the idea as well as mentors for less convinced colleagues.
• In the case study, the change process works well for adjunct as well as full-time faculty

Summary Conclusions:

Research supports the conclusion that the “sage on the stage” lecture method, although still valid, may not be as effective a teaching methodology for the digital age as more student-centric, active learning techniques. Many of the resources to implement this approach have been developed by professional vendors, professional organizations and publishing companies, and are available via the internet. These tools can be used to supplement the faculty’s existing expertise rather than require a full-scale retooling of a professor’s traditional academic strengths. Electronic tools are designed to provide an applied, experiential way of developing 21st Century business skills so that business program graduates are able to “do” management and not stop at only “knowing” management theories.

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Pathways to Accreditation

Session presenters: Recent ACBSP Recipients of Accreditation

Based on positive comments from a similar presentation session at the 2013 Accreditation Conference this session brought to the stage a select number of business schools that recently achieved ACBSP accreditation to share their experiences. This was an important opportunity to learn what others learned during the accreditation process and how they will now promote their accreditation status.
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**State of the Global Business Environment: Comparative Analysis**

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Engaging students in global research: is there a shift of the corporate homes of global MNCs from the developed countries (as measured by G7 membership) to developing BRIC countries?

**ABSTRACT:** In this empirical study, companies listed on Fortune’s Global 500 ranking were identified, described and analyzed in terms of several geographic, employment and financial variables. Additionally, organizations were classified by their industry sector(s) based upon the Global Industry Classification Standard coding system published by Thomson One Banker and were cross tabbed by the critical financial and employment related variables for the study. An analysis of these industry sectors is also presented. Secondary data covering more than 30 variables and 1,500 cases were collected primarily from Fortune Magazine online and other business-related research databases. Our results show a growing trend of the shift of the corporate homes of global MNCs from the developed countries (as measured by G7 membership) as compared to developing BRIC countries. However our findings show this trend is moderated by GICS industry sector. Our research is intended to increase awareness of how internationalization has changed the composition and performance of the world’s largest 500 companies over a nine-year period spanning from 2005 to 2013 at three interval periods.

**Keywords:**

MNC, Multinational Corporations, Global 500, International Organizations, International Theory, Global Employment, GICS, BRIC, G7, Globalization, Emerging Economies

**State of the Global Business Environment: Comparative Analysis**

**Introduction**

Demographics of global businesses is an area of importance that has not been completely investigated by researchers. The lack of consolidated evidence has caused a void in the current literature in understanding how globalization has transformed the composition and performance of global companies over time. The movement over time and the current trend witnessed within emerging and developing markets can offer insights into the forthcoming route that the global environment will take. Globalization of businesses, no matter the size, has become essential for strategic expansion. We explore several variables pertaining to the internationalization of the world’s largest 500 companies as reported by Fortune Magazine based upon their 2005, 2009 and 2013 global listings. We also identify and analyze trends among these leading global organizations in order to advance our appreciation of the composition and performance of global multinational organizations and their corporate homes over the past nine years.

International business scholars have disputed the rationale and location of multinational enterprises for many decades. Dunning (1998) proposed that the attention deficiency to this question is somewhat
due to the fact that traditional rationalizations appeared satisfactory and that scholars are not interested in the subject. Goldstein (2009) indicated that multinational companies from emerging and developing economies have quickly become extremely competitive players in the emerging global economy. We believe that the subject of the geographic presence, industry sector, revenue generating capacity and employment figures of these powerful global multinational organizations is necessary and additional investigation and continual tracking over time is appropriate.

The review of the relevant literature begins with a discussion surrounding the economic and demographic characteristics within the global environment. We then address how companies within the global economy are categorized for comparison. The discussion then follows addressing the research design along with the methodology and results of our analysis. The paper closes with our conclusions, limitations and suggestions for further research. Overall, our global study is intended to describe the composition and performance of the world's largest 500 companies between the years 2005-2013.

**Literature Review**

The Organisation of Economic Co-operation and Development (OECD) most recent report indicated that the global economy is increasing but at a sluggish rate. Industrial production has grown in the nations with advanced economies (e.g. the G7 nations) and has weakened in the emerging economies (e.g. BRIC nations) and this represents a recent shift in composition. Leading GDP growth between 2012 and 2013 is China, with a forecast increase in GDP near 8 percent, while trailing behind in GDP is Canada (2.0 percent), United States (1.8 percent), Japan (1.6 percent) and Britain (1.5 percent), while forecasted GDP growth for both Germany and France are under 1 percent. (Organisation for Economic Co-operation and Development, 2013). China’s growth alone accounts for 40 percent of all the emerging market GDP growth (Petroff, 2013).

From the turn of the century, through 2011, the distribution of Global 500 companies has changed drastically. North America has suffered the greatest decline in Global 500 companies from a high of 215 in 2001 to 146 in 2011. Europe remained relatively steady from 158 in 2001 to 161 in 2011, however Europe peaked at nearly 190 in 2007. The European profile has changed as a result of this growth then with a decline to near 2001 levels. Collectively, Asia changed the greatest with a growth from 116 in 2001 to 172 in 2011, but a closer look shows that China accounted for the most of the this change, while G7 member Japan faced a small decline in Global 500 host countries. (CNN Money, 2012). In the past, the United States based Fortune 500 list nearly paralleled the composition of the Global 500 list. In recent years however, greater disparity between the Global 500 and the Fortune 500 list continued.

**Demographics of worldwide corporations**

Demographics of the world’s largest 500 multinational companies provide a basis to analyze enterprises. Investigating the demographics of multinational companies has not been fully explored by scholars, in part due to the complexities encompassing the environment in which these firms operate (Veron, 2008). Veron discovered that companies in Europe and Japan have been in existence for a long period of time, which accounts for the lack of new multinational companies over the past century. Veron further explains that in the United States, while many companies are older, there has been a net increase in the high-tech and service sectors. Overall, during the late 20th century, the emerging economies witnessed the largest growth in multinational companies (Veron, 2008).
Martelli & Abels (2011) noted that global firms increased from 175 firms to 181 firms in Europe, and that North America witnessed a decline from 191 firms to 157 firms from 2005-2009. Furthermore, the United States was found to be the dominate country for global headquarters with 140 firms in 2009, representing a decline from 176 firms in 2005. Japan had the second highest global headquarters in 2009 with 68 firms, representing a decline from 81 firms in 2005. Countries gaining large global headquarters was found to be in Taiwan, Russia, and China (Martelli & Abels, 2011). The seven major emerging markets experienced an increase in companies from 41 in 2005 to 77 in 2009, representing an 87.8 percent increase (Martelli & Abels, 2011).

Established companies tend to be older firms or have been in existence for a while, and the age of a firm exposes the experience level that a firm holds. The age of a firm can also indicate how flexible or inflexible a company might be (Da Silva, Da Rocha, & Carneiro, 2009). Newer companies tend to be more responsive because those organizations are still developing their internal systems, and those younger firms tend to be less risk adverse (Da Silva, Da Rocha, & Carneiro, 2009). New firms have been found entering the international world much earlier in their organizational development than what has been observed in the past. New international firms are demonstrating an accelerated pattern of internationalization, which permits those firms to grow at a faster rate of internationalization (Da Silva, Da Rocha, & Carneiro, 2009). As a result, younger firms have become major players within the global environment at an accelerated pace.

The theory of internationalization suggests factors such as a firm’s technological level, degree of maturity, type of process, and its degree of concentration all play a role within internationalization (Dunning, 1998). New firms are moving through the traditional market expansion stages quickly, which gives the impression these firms are Born Global (Martelli & Abels, 2011). From 1991-1996, 64 percent of global foreign direct investment (FDI) inflows were received by the developed countries, while 33 percent were received by the developing countries (Dunning, 1998). From 1975-1980, these percentages were 77 percent and 23 percent respectively, which demonstrates the changes within these regions (Dunning, 1998). As a result, new firms have become key global players that operate on some form of competitive advantage (Goldstein, 2009). New firms invest overseas in order to explore country-specific ownership advantages, whereas traditional firms were built from firm-specific advantages (Da Silva, Da Rocha, & Carneiro, 2009). New firms begin with country-specific and work their way to firm-specific advantages during the course of building their organizations on a global basis (Martelli & Abels, 2011).

The theory of traditional internationalization proposes that firms have a firm-specific advantage, which permits those firms to acquire international sales through licensing, exports and FDI (Rugman & Verbeke, 2005). Porter (1980) reveals that overseas ventures originate by either licensing or exporting, and after a firm gains international experience, then it will pursue FDI in a country. The largest 500 firms in the world account for over 90 percent of the of the world’s FDI and 50 percent of world trade (Rugman & Oh, 2008a) (Rugman & Oh, 2008b). Rugman and Oh (2008b) examined the largest 500 global firms and found that 320 firms averaged 80 percent of their sales within their home region, and nine firms operated globally, meaning that at least 20 percent of their sales were generated from the European Union, NAFTA regions and the Asia-Pacific regions of the world. Rugman and Oh (2008b) concluded that the largest 500 firms worldwide tend to operate mainly within their home regions and international sales are not global, suggesting greater barriers are experienced. The presence of multinational companies does not equate to a global industry as firms do not need to compete globally to be successful firms (Porter, 1980). These large 500 global firms are the primary fuel for both globalization and international competitiveness (Rugman & Oh, 2008a) (Rugman & Oh, 2008b).
Growth of worldwide companies

In 2005, Rugman looked at the largest 500 global firms and found that these firms account for 90 percent of the world’s FDI and more than 50 percent of the world’s trade (Rugman, 2007). At that time, Europe, North America and the Asia-Pacific accounted for the vast majority of the 500 firms in terms of regional sales (Rugman, 2007). From the 2005 listed firms, 379 reported a distribution of sales revenues from these three regions, Europe, North America, and Asian-Pacific. Rugman (2007) found that 75 Asian companies averaged 77.9 percent of their sales revenues from their home regions as compared to 74.6 percent for the 379 firms on average (Rugman & Oh, 2008b). The 75 Asian firms had revenues of $27.4 billion as compared to revenues in North America of $28.8 billion and Europe of $31.1 billion (Rugman & Oh, 2008b). Overall, it appears that the Asian multinational companies are comparable to rival firms from North America and Europe (Martelli & Abels, 2010).

A few years ago, new global firms were insignificant contenders and today those new firms are competing strongly with some of the world’s major companies (Martelli & Abels, 2011). Growth can be attributed to vertical and horizontal expansion. Vertical expansion “occurs when the firm locates assets or employees in a foreign country with the purpose of securing the production of a raw material, component, or input or the distribution and sale of a good or service” (Guillen & Garcia-Canal, 2009, p. 25). Typically vertical expansion is associated with costs pertaining to capital, labor or land. Horizontal expansion “occurs when the firm sets up a plant or service delivery facility in a foreign location with a goal of selling in that market, and without abandoning production of the good or service in the home country” (Guillen & Garcia-Canal, 2009, p. 26). Horizontal expansion is appealing when import duties are high, when currency fluctuations are uncertain and transportation costs are high (Martelli & Abels, 2011).

The momentum of internationalization demonstrated by new multinational firms over traditional firms is a significant element related with Born Global firms (Martelli & Abels, 2011). The accelerated pace has allowed new companies to close the gap between old firms and is permitting new firms to achieve their global presence (Guillen & Garcia-Canal, 2009). Newer firms tend to be better prepared to deal with the complexities associated with operating in a foreign country, which contributes to its overall success (Martelli & Abels, 2011). For instance, new firms are acquainted to dealing with unstable governments located in their home countries and as a result are able to adjust for success in a foreign country swiftly, unlike traditional older firms (Guillen & Garcia-Canal, 2009). New firms tend to internationalize via FDI earlier within their lifecycle as compared to traditional firms with their gradual commitment and many new firms will eventually become a major competitor within the global market (Goldstein, 2009). For instance, between the years 1985-1995 inflows from FDI rose from 55 percent to 60 percent and this growth was triggered chiefly to mergers and acquisitions, primarily within North America, Europe and Japan, with prominence in the knowledge and information industry sectors (Dunning, 1998).

In 2007, the developing world accounted for 49 percent of the global gross domestic product (GDP), up from 39 percent in 1990, with the expectations that this percentage might surpass that of the developed world within the next 20 years (Accenture, 2007). Russia and Brazil were the two chief emerging markets among the 10 largest economies in 2007. In 1997, China ranked among the biggest economies, with India and South Korea predicted to join the rankings by the year 2015 (Accenture, 2007). Multinationals with undertakings in the emerging markets are yielding some of the large multinational organizations at a astounding rate in today’s global world (Accenture, 2008). Recently as 2007, these two emerging economies contained 70 companies within Fortune Magazine’s Global 500 listing, up from 20 firms 10 years earlier (Accenture, 2008). According to Accenture (2008), the growth has been attributed by more than 1,100 mergers and acquisitions (FDI), worth a combined total of...
$128 billion in 2006. In 2009, Russia and Brazil accounted for $3.2 trillion of the $10 trillion world GDP for the emerging markets (Martelli & Abels, 2010). China, India and South Korea contributed approximately $6.4 trillion to world GDP (Martelli & Abels, 2010).

Trade of worldwide corporations

The class of trade a business chooses to enter has enabled firms to expand globally. Globalization of firms can be attributed to the improvements made in transportation and communication and the reduction in trade and investment barriers throughout the world (Dunning, 1998). Management must first decide the firm’s boundaries, such as the geographic scope of the firm’s activities and the method of entry into the global environment (Rugman & Verbeke, 2005). Management must then determine its external environment by determining how relations with its customers and suppliers will be managed (Rugman & Verbeke, 2005). Lastly, management must determine the structure its foreign subsidiary network (Rugman & Verbeke, 2005). After a firm tackles these three general concerns, diversification into foreign markets can begin in order to exploit the opportunities management has recognized overseas (Martelli & Abels, 2011).

Only a few industries will commence as a worldwide trade, and consequently those businesses will develop eventually (Porter, 1980). Today, multinationals enter the market by pursuing entry into developed countries while at the same time entering into developing countries. Developing countries permit firms to increase in size and operational experience while at the same time generating profits, and venturing into developed countries to upgrade their processes (Guillen & Garcia-Canal, 2009). Global collaborations and acquisitions help companies to overcome the problem of foreignness and to achieve a competitive advantage by enabling firms to upgrade their resources and capabilities (Guillen & Garcia-Canal, 2009). International competitiveness is not the same as globalization (Rugman & Oh, 2008b). In a study conducted by Rugman & Oh (2008b), 40 firms located in emerging markets (mostly from Asia) were categorized within the world’s largest 500 firms. It was found that only one of the 40 firms was actually global based upon the criteria of having at least 20 percent of its sales within three regions (as explained earlier).

Globalization is becoming the way of the future for organizations. During the 1980s and 1990s, it was the United States, Western Europe and Japan as the primary contributors in the undertaking to pursue opportunities from abroad (Nunes & Purdy, 2008). Companies headquartered in developing countries (such as China and India) are influencing and shaping the global economy (Nunes & Purdy, 2008). In 2005, the top 100 firms within emerging markets boosted their foreign sales by 48 percent and foreign employment by 73 percent, as compared to 10 percent overseas growth in the areas of sales and employment among developed countries (Accenture, 2007). According to Nunes and Purdy (2008), the 2007 GDP of emerging markets was 48 percent of the GDP in developing countries. By 2015, the GDP of the emerging markets is forecasted to rise to 54 percent and to 60 percent by 2025 as a percentage of the total developed countries GDP. Further illustrating the globalization shift from the west to the east is China’s recent climb to the top as the world’s largest exporter, taking over the long held spot by Germany (Martelli & Abels, 2010). The Associated Press (2010) now reports China as the world’s largest auto market. China is also predicted to soon to surpass Japan as the world’s second largest economy (Associated Press, 2010).

Developing a global strategy allows companies to compete in national markets which can influence their global standing (Porter, 1980). Traditional companies found in North America, Europe, and Great Britain answered their industry competition by expanding its intangible assets, which include technology, brands, and managerial expertise (Guillen & Garcia-Canal, 2009). Simultaneously, new global firms are residing in countries that are not included among the most advanced in the world.
(Guillen & Garcia-Canal, 2009). In fact, these firms are from countries with upper-middle income economies (such as Korea, Portugal, Spain and Taiwan); from countries with emerging economies (such as Brazil, Chile, China, India, Mexico and Turkey); from developed countries (such as Egypt, Indonesia and Thailand); and from oil rich countries (such as Nigeria, United Arab Emirates and Venezuela) (Guillen & Garcia-Canal, 2009). The development and existence of many new ranking companies among the world’s largest organizations has been shown to be related to the increasing outward flow of FDI from developing countries and into the developed countries (Goldstein, 2009).

Employment of worldwide corporations

The advancement of countries that are expanding internationally has been identified as the cause of workforce losses experienced in industries, such as manufacturing (Elia, Mariotti, & Piscitello, 2009). For instance, in the United States alone, roughly 2.5 million jobs vanished within past 30 years within the manufacturing sector; and Great Britain suffered a loss of 3.5 million workers from 1970-1998; while simultaneously there was an increase for skilled employees (Elia, Mariotti, & Piscitello, 2009). It is believed that the theory of a multinational firm does “not provide clear predictions on the effect of investment abroad on the employment level and skill composition in the investing firm and its home country” (Elia, Mariotti, & Piscitello, 2009, p. 358). Companies that do settle abroad are likely to relocate its labor intense activities to countries that are low cost and recently white collar and skilled positions are also being exported due to an increase being witnessed in outsourcing (Elia, Mariotti, & Piscitello, 2009). An empirical analysis revealed foreign investments in low income countries were mainly an outcome of cost-savings that are sought by investing firms. In 2009, Europe employed the greatest volume of workers, employing 18,907,256 global employees, with Asia reporting the second highest with 18,433,864 employees, followed by North America with 18,035,286 global employees (Martelli & Abels, 2010) (Martelli & Abels, 2011).

Global Industry Standard Classification of worldwide corporations

The grouping of the world’s largest 500 companies can be properly differentiated by characteristics such as continent, country, industry sectors, employees, revenues, profits and products/services offered (Martelli & Abels, 2010). In order to appreciate the diversity of firms, researchers such as Adams, Berg, Chandler, Didrichsen, Gort, Kelly, Markham, Montgomery, Pitts, Reid and Rumelt have attempted this goal without achieving a generally accepted definition of firm diversity (Pitts & Hopkins, 1982). The consequence is an incomplete review of the literature surrounding corporate diversity, which permits researchers to develop his/her classification scheme (Ramanujam & Varadarajan, 1989).

In order to analyze global companies, a researcher should utilize a highly detailed product classification system. Since 1939, this product classification system was the Standard Industrial Classification (SIC) system. The SIC classifies the products and services available into categories and subcategories, and has been replaced by the North American Industry Classification System (NAICS). NAICS does enrich the statistical comparability of organizations and provides statistical consistency for companies located in North America, and NAICS was recently updated in 2012. At the same time of NAICS development, the Global Industry Classification Standard (GICS) was being developed jointly by Standard and Poor and Morgan Stanley Capital International.

The Global Industry Standard Classification was designed to provide more accurate, complete and standard industry definitions in response to the growing demand in the global markets (Standard & Poor's and MSCI Barra, 2006). The GICS classification scheme is appropriate when contrasting companies in a global environment because GICS concentrates on the needs of users within the global
Businesses are assigned into trade groupings based upon their primary revenue generating activities; however, earnings and market perception are also incorporated into this hierarchical collection of industries (Standard & Poor's and MSCI Barra, 2006). Within GICS classification, multinational businesses are assigned into four categories for classification purposes. Those areas are industry, sub-industry, industry group and industry sector based upon the firms’ principal business activities as revealed from sources including annual reports, financial statements, and investment research reports (Standard & Poor's and MSCI Barra, 2006). In analyzing the world's largest 500 companies, the use of the GICS coding scheme is appropriate in order to categorize a firm's diversity (Bhojraj, Lee, & Oler, 2003).

Research of Bhojraj, Lee and Oler (2003) compared SIC, NAICS, and GICS, and they concluded that GICS is more consistent on a year to year basis and the research results are more pronounced among the largest conglomerate firms (Martelli & Abels, 2010). The research team found that in almost all computations of financial ratios, the industry means using the GICS regularly outperformed the industry means of SIC and NAICS (Bhojraj, Lee, & Oler, 2003). Overall, the researchers concluded that GICS is a superior coding system when identifying and analyzing industry peers, and GICS should be used when conducting research that involves industry classifications (Bhojraj, Lee, & Oler, 2003). In analyzing global companies, the use of GICS coding scheme is appropriate in order to categorize a firm’s diversity.

In 2009, Martelli & Abels (2010) revealed the financial sector accounted for 101 global firms and that the financial sector prevailed in North America, South America, Europe and Australia. The industrial sector was dominated by Asia (Martelli & Abels, 2010). Overall, the United States dominated in all GICS sectors, except for energy, which was dominated by Asia (Martelli & Abels, 2010).

**Purpose of the study**

The purpose of this study is to explore how internationalization has changed the composition and performance of worldwide companies, using Fortune Magazine’s 2005, 2009 and 2013 global listing of organizations. Trends among continents, countries and across industries are shown in order to further understand the effects of internationalization on these prominent organizations in the world economy. Our research not only identifies and describes these characteristics, but is intended to increase awareness of how internationalization has changed the composition and performance of the world’s largest 500 companies over a nine-year period.

**Methodology**

**Research Design**

This is a descriptive study using a cross sectional design. The unit of analysis consists of the companies comprising the Global 500 as reported by Fortune Magazine in 2005, 2009 and 2013. The analysis was not designed to make a generalization for the entire population of all global organizations. Providing some insight concerning how globalization has changed the composition and performance for companies listed as the Global 500 was the goal of this study. Secondary data covering more than 30 variables and 1,500 cases were collected primarily from Fortune Magazine online and other business-related databases pertaining to these large organizations. Additionally, we classify the businesses based upon its GICS. The Global 500 is further divided by continents and countries in order to provide an extensive cross tab analysis.

**Selection of participants and population description**
We explored several professional business, governmental databases, and various business websites to extract data for inclusion in our data set. The study included all 1,500 companies from the 2005, 2009 and 2013 Fortune Magazine Global 500 listing. From that listing, companies were cross-referenced to our SPSS data array to ensure accuracy and any discrepancies were then investigated and clarified by the researchers. The sampling frame used was the Fortune Magazine 2005, 2009 and 2013 annual ranking of the largest global corporations. Data were then collected on all variables for the years 2005, 2009 and 2013 for those firms included in the global listings. Using the Global 500 listing did limit the study to those organizations classified within the top 500 companies globally to be included in the study. This is a census study of Global 500 companies, therefore no statistical inferences or generalizations can be made outside of this population. Many companies maintained a presence on the list for multiple years, the number of unique corporations across all three time periods of this study is 735.

**Data collection and instrumentation**

A data collection instrument was designed by the researchers and used exclusively for this study. The form ensured consistent data collection about the variables of interest. Our starting point for data collection included an exploration of the Fortune Magazine online web-based resource. We explored additional databases in order to complete the data collection instrument and then populate the SPSS data array. Data were collected covering a nine year period of time (2005 to 2013) for these global organizations in three discrete time periods, 2005, 2009, and 2013. The report shows trends of these leading global organizations during this nine year time frame.

**Data processing and analysis**

The selection process identified a total of 1,500 global companies and data were collected on 100% of this population. After developing the coding scheme, data were entered into SPSS, version 21. A code book was prepared describing the variables, values, value labels, and also provided illustrations for inputting string variables into the SPSS data array. After the array was populated in SPSS, data were statistically cleansed by several SPSS routines, and a physical examination of the data were performed to ensure data integrity. Descriptive statistics were calculated, analyzed, and summarized the data in order to answer the research questions.

**Research Findings**

RQ # 1: What is the state of the global business environment: Descriptive 2013

Today, Global 500 firms are operating in five of the seven worldwide continents. As shown in Figure 1, Asia is now the home to 193 firms, followed by Europe with 145 firms, and North America with 144 firms. These three continents comprise 96.4 percent (482) of all Global 500 firms. The ranking witnessed in 2013 by the top three continents is a mirror opposite of just nine years earlier. In 2005, North America ranked first with 188 firms, followed by Europe with 178 firms, and Asia with 122 firms, representing 97.6 percent (488) of the firms. Since 2005, Asia has increased its global presence by 58.2 percent, making Asia the global leader for Global 500 firms. Asia’s rise in 2013 global companies was at the expense of Europe losing 18.5 percent and North America losing 23.5 percent since 2005.
The continents can be further divided into 195 countries, in which Global 500 firms can be found operating in 39 of the 195 countries. The country that has seen a dramatic increase in global ranked firms is that of China, with a 456.3 percent increase since 2005. Other countries that have changed substantially over the nine year period include Brazil (166.7 percent), Russia (133.3 percent), and Taiwan (200.0 percent). Even though these percentages are large increases, the volume of firms itself is not that large. Additional breakdown of country locations over time can be viewed in Table 1. The United States has remained the dominate location for company headquarters with 133 firms, despite its 23.6 percent decline since 2005. However, in 2013, China surpassed Japan and moved up to second in headquarter location with 89 firms, with Japan following at 62 firms.

Table 1 follows on the next page
<table>
<thead>
<tr>
<th>Country</th>
<th>2005</th>
<th>2009</th>
<th>2013</th>
<th>05-13 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>9</td>
<td>9</td>
<td>8</td>
<td>-11.1%</td>
</tr>
<tr>
<td>Austria</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>-40.0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>3</td>
<td>6</td>
<td>8</td>
<td>166.7%</td>
</tr>
<tr>
<td>Britain</td>
<td>36</td>
<td>27</td>
<td>27</td>
<td>-25.0%</td>
</tr>
<tr>
<td>Canada</td>
<td>13</td>
<td>14</td>
<td>9</td>
<td>-30.8%</td>
</tr>
<tr>
<td>China</td>
<td>16</td>
<td>37</td>
<td>89</td>
<td>456.3%</td>
</tr>
<tr>
<td>Columbia</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>-50.0%</td>
</tr>
<tr>
<td>Finland</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>-66.7%</td>
</tr>
<tr>
<td>France</td>
<td>39</td>
<td>40</td>
<td>31</td>
<td>-20.5%</td>
</tr>
<tr>
<td>Germany</td>
<td>37</td>
<td>39</td>
<td>29</td>
<td>-21.6%</td>
</tr>
<tr>
<td>Hungary</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>5</td>
<td>7</td>
<td>8</td>
<td>60.0%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Israel</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>8</td>
<td>10</td>
<td>8</td>
<td>0.0%</td>
</tr>
<tr>
<td>Japan</td>
<td>81</td>
<td>68</td>
<td>62</td>
<td>-23.5%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>0.0%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Mexico</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>50.0%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>14</td>
<td>12</td>
<td>11</td>
<td>-21.4%</td>
</tr>
<tr>
<td>Norway</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>-50.0%</td>
</tr>
<tr>
<td>Poland</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>3</td>
<td>8</td>
<td>7</td>
<td>133.3%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Singapore</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>100.0%</td>
</tr>
<tr>
<td>South Korea</td>
<td>11</td>
<td>14</td>
<td>14</td>
<td>27.3%</td>
</tr>
<tr>
<td>Spain</td>
<td>8</td>
<td>12</td>
<td>8</td>
<td>0.0%</td>
</tr>
<tr>
<td>Sweden</td>
<td>7</td>
<td>6</td>
<td>3</td>
<td>-57.1%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>12</td>
<td>15</td>
<td>14</td>
<td>16.7%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2</td>
<td>6</td>
<td>6</td>
<td>200.0%</td>
</tr>
<tr>
<td>Thailand</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Turkey</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>174</td>
<td>140</td>
<td>133</td>
<td>-23.6%</td>
</tr>
<tr>
<td>Venezuela</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>500</td>
<td>500</td>
<td>500</td>
<td></td>
</tr>
</tbody>
</table>
In total, these Global 500 firms generated $30.3 trillion in sales revenue. As shown in Figure 2, Asia generated $10.8 trillion in revenue, followed by Europe with $9.5 trillion, North America with $9.1 trillion, and South America with $606.1 billion. From 2005 to present day, South America witnessed the largest growth in sales revenue with 10 firms yielding a 795.9 percent increase. The next largest increase over the nine year period was Asia with 193 companies yielding a 210.7 percent increase.

Figure 2

![2013 Total Revenue Summary](image)

In total, there were 64.9 million employees within these Global 500 organizations. The largest employing continent was Asia that employed 27.5 million employees, followed with 18.0 million employees in North America and 17.9 million employees in Europe. The only continent experiencing a decline in employment was North America at 0.5 percent. All other continent experienced an increase in employment ranging from 4.1 percent to 336.0 percent. A summary of the 2013 global employment can be viewed in Figure 3.

Figure 3

![2013 Total Employment Summary](image)
In analyzing the GICS developed by Standard & Poor and Morgan Stanley Capital International revealed that the Financial sector was the dominate business activity of Global 500 firms based upon the broadest level of GICS classification, which is the two-digit level.

Figure 4

Figure 4 displays 110 firms within the Financial business activity, with the Industrials ranking second at 72 firms, and Energy at 65 firms. Over the nine year period from 2005 to 2013, the Energy sector saw the largest increase at 54.8 percent, followed by Materials at 31.3 percent.

Tables 2 and 3 provide further details concerning the GICS data, in particular the tables show the current composition of G7 countries followed by the composition of BRIC countries. Among the G7 countries, Japan and United States serve as home to nearly 65.2 percent of these 299 G7 firms. Europe as a continent is home to 32.1 percent of firms with the remaining 3.0 percent located in Canada. The highest GICS concentrations in Europe are in Financials and Consumer Staples. Global 500 firms in Information Technology are wholly contained within the United States and Japan. Further research may show that these other countries maintain their Information Technology within smaller companies not ranked within the Global 500.
The BRIC countries serve as the corporate home to 112 firms, or approximately 22.4 percent of the Global 500, with 89 or nearly 79.4 percent of BRIC companies located in China alone. Furthermore, as an industry the Financial sector represented 23, or nearly 20.5 percent of the total BRIC composition. Only the Energy sector represented a slightly larger sector of the BRIC nations. Additionally, the Energy sector is more evenly distributed across BRIC countries while China dominates the composition of the Financial and Industrial sectors. This may be due to the fact that without an energy source, domestic energy furthers industrialization and development of a country is limited.

### Table 2

<table>
<thead>
<tr>
<th>G7-GICS 2013</th>
<th>Britain</th>
<th>Canada</th>
<th>France</th>
<th>Germany</th>
<th>Italy</th>
<th>Japan</th>
<th>United States</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>7</td>
<td>0</td>
<td>13</td>
<td>20</td>
<td>48</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>5</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>18</td>
<td>34</td>
</tr>
<tr>
<td>Financials</td>
<td>10</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>13</td>
<td>25</td>
<td>69</td>
</tr>
<tr>
<td>Health Care</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td>Industrials</td>
<td>2</td>
<td>0</td>
<td>8</td>
<td>4</td>
<td>1</td>
<td>8</td>
<td>20</td>
<td>43</td>
</tr>
<tr>
<td>Information Technology</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td>Materials</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>4</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Utilities</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>27</td>
<td>9</td>
<td>31</td>
<td>29</td>
<td>8</td>
<td>62</td>
<td>133</td>
<td>299</td>
</tr>
</tbody>
</table>

### Table 3

<table>
<thead>
<tr>
<th>BRIC-GICS 2013</th>
<th>Brazil</th>
<th>China</th>
<th>India</th>
<th>Russia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>2</td>
<td>13</td>
<td>5</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>0</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Financials</td>
<td>3</td>
<td>18</td>
<td>1</td>
<td>1</td>
<td>23</td>
</tr>
<tr>
<td>Health Care</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Industrials</td>
<td>1</td>
<td>18</td>
<td>1</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Information Technology</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Materials</td>
<td>1</td>
<td>17</td>
<td>1</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Utilities</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8</td>
<td>89</td>
<td>8</td>
<td>7</td>
<td>112</td>
</tr>
</tbody>
</table>
This lineup of large multinational corporations shows the composition as it currently exists based on GICS classifications. As we continue down, we begin to show the pattern of changes within the GICS sectors and across countries in the highly industrialized and developed G7 and emerging markets of the BRIC countries.

RQ # 2: What changes in the Global 500 companies are occurring in BRIC countries?

Our research provides comparative insight over a nine year period from 2005 through 2013 within the BRIC countries, within the G7 countries, and then across BRIC and the G7. We classify our case companies by several variables (including its GICS classification), which allow us to conduct this analysis. There have been major shifts in the composition and distribution of global organizations within BRIC and G7 countries and across these two groupings of countries. The BRIC thesis posits that among the BRIC countries, India and China are poised to become the leading suppliers of manufactured goods and services, while Russia and China are more suited for raw materials. Figure 5 provides a summary industry sector composition over a 9 year period from 2005 to 2013 for BRIC market countries. Collectively, the BRIC countries have consistently risen in the number of global firms comprising the Global 500 in all 10 GICS sectors. Leading sectors for growth in BRIC countries as expected are Energy (sector 10), Industrials (sector 20) and Materials (sector 15). The unprecedented growth among the Financial sector (40), and for the first time, the appearance of Global 500 firms representing Consumer Staples (sector 30) and Health Care (sector 35).

Figure 5

Information Technology (sector 45), Telecommunications (sector 50) remain relatively low and flat over this period of time, along with a slight increase, and still representing low numbers of firms within the Utilities sector (55). Figure 6 shows the number of Global 500 firms making the Global 500 list over the nine year time period. China, Brazil and Russia experienced triple digit growth in this area, with a 456 percent, 167 percent and 133 percent growth, respectively. India's growth remains an impressive 60 percent. A marked contrast will be shown when providing the comparable G7 data.
Among the BRIC countries, there has been a steady and progressive increase in its number of corporate homes among Global 500. Details of this composition are provided in Table 4. However, this table especially highlights BRIC’s rapid escalation in the Energy, Consumer Staples, Financials and Materials GICS sectors. As expected, the revenue growth has progressively increased over the nine year period for all four BRIC countries.

Table 4

<table>
<thead>
<tr>
<th>GICS</th>
<th>2005</th>
<th>2009</th>
<th>2013</th>
<th>05-13 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>9</td>
<td>13</td>
<td>25</td>
<td>177.8%</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>1</td>
<td>3</td>
<td>9</td>
<td>800.0%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>8</td>
<td>13</td>
<td>23</td>
<td>187.5%</td>
</tr>
<tr>
<td>Health Care</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>2</td>
<td>12</td>
<td>20</td>
<td>900.0%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>300.0%</td>
</tr>
<tr>
<td>Materials</td>
<td>2</td>
<td>11</td>
<td>19</td>
<td>850.0%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>100.0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td><strong>58</strong></td>
<td><strong>112</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 5 shows employment trends across BRIC countries. Most of BRIC countries experienced triple digit percent growth in employment ranging from a low of 29.6 percent in Russia to 396.7 percent in
India. During this same time period, total assets in Russia increased 620.0 percent while at the same time India’s assets increased 881.9 percent. Brazil and China showed employment increases of 277.7 percent and 233.1 percent respectively. During this same time period, total assets in Brazil increased by 661.2 percent and China experienced a 587.9 percent asset increase.

Table 5

<table>
<thead>
<tr>
<th>Employee</th>
<th>2005</th>
<th>2009</th>
<th>2013</th>
<th>05-13 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>208,352</td>
<td>480,721</td>
<td>786,993</td>
<td>277.7%</td>
</tr>
<tr>
<td>China</td>
<td>5,178,592</td>
<td>9,636,028</td>
<td>17,252,132</td>
<td>233.1%</td>
</tr>
<tr>
<td>India</td>
<td>112,055</td>
<td>407,273</td>
<td>556,625</td>
<td>396.7%</td>
</tr>
<tr>
<td>Russia</td>
<td>1,035,014</td>
<td>1,427,305</td>
<td>1,340,894</td>
<td>29.6%</td>
</tr>
</tbody>
</table>

RQ # 3: What changes in the Global 500 companies are occurring in G7 countries?

Our comparison base consists of the member countries of the G7, representing the seven most highly developed and industrialized nations, whom traditionally have contributed to over half of the global GDP. However, critics contend that these G7 member countries have lost their relevance and their economic superpower status given the advent of BRIC nations. Our analysis of the companies in these seven G7 countries will shed some light on this.

Figure 7 explores GICS industry composition of the G7 countries. Observations show that not all GICS sectors are evenly distributed across these countries, and the nine year evolution reveals there are trends emerging as to which sectors remain dominate and which are losing presence.

Figure 7

A general decline in the number of organizations located with corporate offices in the G7 countries has declined over the nine year period, and most this decline occurred in the Financial and Utility sectors. There was a decline and slight rebound during this time period for the Information
Technology sector. These sectors were among the most increased in the BRIC countries over the same time period.

Figure 8 presents the G7 countries and the change in the number of Global 500 companies located in these countries over 2005 to 2013 time period. A decline in the number occurred in all seven of these countries with Japan and United States experiencing the greatest decline.

![Country Summary](image)

Our employment results for G7 countries are shown in Table 6. Britain and United States experienced single digit declines (-7.3 percent and -2.1 percent respectively). During this time period, Italy experienced 62.9 percent employment growth. The remaining G7 countries averaged single digit employment growth. While it is important to show this employment growth, not all employment gains are necessarily located in the home country of these companies. While many companies are starting to bring back their jobs to the home country, this figure does not sort out employment details regarding home and host country employment figures.

<table>
<thead>
<tr>
<th>Country</th>
<th>2005</th>
<th>2009</th>
<th>2013</th>
<th>05-13 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Britain</td>
<td>3,268,423</td>
<td>3,061,310</td>
<td>3,028,512</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Canada</td>
<td>742,556</td>
<td>836,059</td>
<td>818,039</td>
<td>10.2%</td>
</tr>
<tr>
<td>France</td>
<td>4,851,453</td>
<td>5,398,047</td>
<td>5,183,205</td>
<td>6.8%</td>
</tr>
<tr>
<td>Germany</td>
<td>4,275,820</td>
<td>4,732,929</td>
<td>4,659,751</td>
<td>9.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>612,872</td>
<td>1,023,331</td>
<td>998,651</td>
<td>62.9%</td>
</tr>
<tr>
<td>Japan</td>
<td>5,095,165</td>
<td>5,242,337</td>
<td>5,516,995</td>
<td>8.3%</td>
</tr>
<tr>
<td>United States</td>
<td>17,193,975</td>
<td>16,879,010</td>
<td>16,831,190</td>
<td>-2.1%</td>
</tr>
</tbody>
</table>

Revenue figures among G7 countries experienced a continuous marginal growth pattern over the nine year period as shown in Figure 9. All G7 countries, except Germany, had positive asset growth over
the nine year period. Germany experienced 5.9 percent decline in asset growth whereas the remaining G7 ranged from 49.5 percent in United States to 123.5 percent in Canada.

Figure 9

![Total Revenue Summary Graph](image)

Concluding Remarks

This paper complements the existing body of knowledge surrounding the composition of international organizations. First of all, the paper has brought together some of the current knowledge on the types of decisions that management must consider before deciding to venture globally into its industry market for strategic expansion. Secondly, the paper provides an overview of the traditional international theory displayed in globalization along with a probe into how new multinational firms are entering the global arena. New multinational firms suggest that perhaps a new international theory related to Born Globally could transpire in the future. Thirdly, the study collected a composite of data from various business sources and those variables are compiled into a one-stop place. The variables of interest include dominant continents, dominant countries, dominate industry sectors (using GICS), revenues and employment figures. Research covering a nine-year span can serve as a basis and benchmark for future research as the study of internationalization continues. Lastly, the world’s largest 500 firms are key leaders who will be the driving force behind future globalization of companies, including firms located in developing countries and emerging countries around the world. The details presented in this study provides insight on the current status of multinational firms, where globalization is expected to advance and consequently is rich with information in order to further understand the composition and performance of multinational organizations and their corporate homes.

Limitations of the Study

This study focused on trying to establish a composite profile of the prestigious worldwide corporations. In order to accomplish this, we selected the world’s largest 500 companies as reported by Fortune Magazine's 2005, 2009 and 2013 global listings as our population. We studied the entire population of the world’s largest organizations. The companies selected were non-random for this research and any generalizations which are made outside of our population are spurious and non-

*Accompanying PowerPoint presentations are on [ACBSP website](#)*
This study contains information only about the world's largest organizations as a corporate entity. Most of these organizations earn revenues from their operations located throughout the world. In addition, many of their employees are located at these worldwide operations. Ultimately, revenue and profit of worldwide organizations funnel back to the home country. However, payroll is disbursed to the employees located in the host countries of their worldwide operations. This provides an economic stimulus for these host countries, however financial control and decision-making is retained by the home country.

**Recommendations for further Research**

While this study provides a fairly comprehensive analysis of the world’s largest corporations, additional research detailing its impact on the global economy should be conducted. More specifically, we think a starting point for this additional research includes addressing the following questions: What are the various GICS sectors’ profit margins and assets and how do they fluctuate across countries and continents? What has been the impact on the employment level and skill composition of the workforce as a result of firms investing abroad? Additionally, our research focused on the trends of the 1,500 firms on Fortune Magazine’s Global 500 list over a nine-year period. This time frame should be expanded to provide an even more comprehensive and long-term picture of trends in the global business environment.

Furthermore, an analysis of the companies which dropped off the Fortune Magazine’s Global 500 list as well as an analysis of the companies replacing them on the list ought to be examined for trends and changes regarding changes in industry sector, country, continent, revenue and employment. Given that these companies have a global presence, an analysis of their FDI and employment impact throughout the world should also be studied. Our research classifies a company by its corporate home country and the specific individual continent on which it is located. We also believe that a study should be conducted looking into the level of asset acquisition and growth over this nine year (and subsequent years) period both within G7 (and other industrialized nations) and BRIC countries (and other developing nations) as well as comparatively across the developed and developing nations.

**References**


Accompanying PowerPoint presentations are on ACBSP website
Proceedings – Friday November 29

Quality Assurance Reporting at a Multi-Campus System

Alfred Miller
Higher Colleges of Technology

This was an excellent presentation and report on the problems encountered and the solutions to those problems when the Higher Colleges of Technology in the United Arab Emirates re-structured their efforts to report on quality assurance across all campuses.

This was particularly important for all Region 8 ACBSP colleges since the speaker identified how to approach OFI’s (Opportunities for Improvement) in the quality assurance area. The presentation also included how colleges might engage with and communicate with ACBSP prior to submitting self-studies.

The PowerPoints for this presentation, as with the PowerPoints for other presentations at this conference, are available on the following website

http://www.acbsp.org/?ic2013_postconf
The 4P’s model for Effective Online Course Management

Co-Authors: Nancy Maloney, PhD
 &
 Mysoon Otoum, PhD
Higher Colleges of Technology

Presenter: Monica Gallant, PhD, FCA (Canada)
Higher Colleges of Technology

Abstract:
In this fast-paced changing world, the demand for mobile information technology is continuously increasing. Online learning or e-learning training programs provide the individual and organisations with the ability to reach and develop professional goals without major disruption to their lives or human resource processes. The paper presents a 4 P’s model for managing distance online classes. Persistence, Personalization, Platform and the Process are all key words in delivering an effective online learning.

Keywords: Distance learning, platform, process, persistence, proactive, perception

The 4P’s model for Effective Online Course Management

Introduction

Traditional learning environments such as classroom-based training can no longer match the speed, diffusion and availability of e-learning. E-learning provides a contemporary, efficient and flexible alternative by utilising computers and internet based technology. Individuals and organisations are now demanding more readily available access to qualification enhancement programs and development opportunities to broaden professional knowledge (Jan & Chou, 2012). E-learning is the speedy and accessible method and by employing information technology to provide on-line training that can be used to minimize the disruption more traditional training methods have on the user’s normal and working routines.

Theoretical Backgrounds

The for-profit venture Coursera delivers free courses prepared by professors and lecturers from 62 universities including but not limited to Princeton, Stanford and University of Michigan (Dua, 2013). Coursera has 1.5 million registered students from around the world, with many of the courses having student enrolment between 50,000 and 100,000. Table 1 lists major for-profit and nonprofit startup e-institutions offering a variety of distance programs.
Table 1: Major Startup e-institutions since 2002

<table>
<thead>
<tr>
<th>Name</th>
<th>Year founded</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Learning Initiative</td>
<td>2002</td>
<td>Nonprofit</td>
</tr>
<tr>
<td>Coursera</td>
<td>2012</td>
<td>For-profit</td>
</tr>
<tr>
<td>edX</td>
<td>2012</td>
<td>Nonprofit</td>
</tr>
<tr>
<td>Udacity</td>
<td>2012</td>
<td>For-profit</td>
</tr>
</tbody>
</table>

One of the most attractive aspects of e-learning capabilities is the accessibility to a substantial and diverse database of information available with just a ‘few clicks of the mouse’. The more conventional learning methods require laborious and time-consuming visits to libraries to manually locate and inspect the necessary information to increase knowledge. The availability of information technology in offices and homes provides a near unlimited access to a broad range of specialised learning environments (Joelson, 2010).

Learning in an institute is defined as the process that grows the knowledge of the certain and its members through clarification, understanding and integration of implicit and unambiguous information. The purpose is to generate knowledge that can be categorized and entrenched in norms of behaviour or organisational routines and work processes. This enables an organization to acquire new knowledge to adapt to new uncertainties as they occur (Waldner, McGorry & Widener 2012).

In addition, the cost savings to the individual and organisation can be substantial. E-learning, through information technology, requires no travel time expense associated with the “to and from” of the traditional classroom environment. Thus benefits from the associated cost savings made against this expense. It also reduces the indirect cost of administration, printed books, heating, facilities and the rent attributable when compared to a more traditional classroom-learning environment. Costs savings of this nature can then be passed onto the user who will then invariably benefit from lower priced training.

Universities have the necessary resources including intellectual property, brands and societal placement necessary to develop new learning platforms that combine low cost, high quality and employer’s needs fulfilment (Dua, 2013). No one can predict if we are heading to a completely 100 percent online teaching, however, what appears that the online education is booming and flourishing. For that reason, the authors are proposing a conceptual model for an effective and efficient online courses management.

Virtual technologies that developed as part of the gaming world and social media are being adopted in the business world to help bolster team interactions (Holloway, 2010), as well increase collaboration among virtual team members (Bulkeley, 2007). Virtual worlds such as Second Life (www.secondlife.com) are not only popular with individuals; organizations such as American Apparel, Adidas Reebok, IBM, Cisco and Dell have a permanent presence on Second Life (Businesses and organizations in second life).

Businesses assume the virtual world will provide enriched electronic interaction through enhanced visual, aural, and spatial dimensions (Kohler, Matzler & Füller, 2009). Virtual world technologies have the potential to transform organizational learning, communication, and virtual project interactions.
(Owens, Davis, Murphy, Khazanchi & Zigurs, 2009). In spite of the extensive research on virtual teams, there is a research gap concerning the impact of metaverse technologies on virtual team communications.

Emerging worldwide technology trends that are being assimilated into the educational sphere (Briggs, 2013). For example, cloud computing has emerged as an essential tool for collaboration in education and workplace. Cloud-based tools allow for the creation of learning repositories that can be shared by a variety of users transcending distance and time. Mobile learning application downloads to smart phones and tablets are expected to reach 70 billion by the end of 2013. The simplicity of use and easiness to carry, tablet computing, pushed schools to rethink the need for computer labs or personal computers. In addition, Massive Open Online Courses (MOOC) has been widely used by many universities such as MIT and Ohio University.

1.2 Conceptual Model

The 4Ps model represents, as shown in Figure 1, what the authors believe as the best practices and approaches in distance online class management. In this model we will help online universities to identify four Ps factors to successfully manage online students.

![Figure 1. Four P's for Effective Online Class Management](image)

**Persistence**

Student enrol in online classes for different reasons, either extrinsic reasons that relates to the expected work benefits that will be achieved from obtaining a degree and or intrinsic reasons that comes for low job satisfaction with a hope to get a better job. (Fjortoft, 1995). Parker, 2003 studied the level of students motivations or locus of control as an indicator to predict academic persistence. “A person who is consistently reinforced for personal accomplishments will be more likely to possess an internal locus of control than a person who receives reinforcement sporadically or inconsistently.” (Parker, p.56). Results found that students with high internal locus of control are more likely to have higher persistence.
The findings of Parker were similar to previous studies conducted by Dille and Mezack (1991) and Altman and Arambasich (1992). Understanding student motivation for enrolling in online courses will provide the university with a more comprehensive view of the learner, and further enable faculty to develop strategies to engage students to reduce dropouts and ultimately improve course completion rates.

**Platform**

Platforms/portals are significant components in a successful online web based education. It is important to keep in mind that the platform must be robust enough to deliver materials to a large number of users, up to 100,000 users at one time in some instances (Breakthrough platform technology, June 17, 2013). To run a successful platform, Butcher, 2002 suggested what could be described a successful portal running by including the following: good design and simplicity in navigating; the search mechanism should be the free text search facility where all documents that contain a specific search would be retrieved; the technical and professional support; credibility and authenticity of the portal where information and contact details are listed for users; and lastly the currency of information where users are informed about the last updated or modified.

Fujitsu Laboratories and Massachusetts Institute of Technology are currently researching how best to organize learning materials from a wide variety of sources across the internet to provide an individualized learning experience based on the student's understanding and interests. The project is attempting to create a Human Centric Intelligent Society in the field of education (Breakthrough platform technology, June 17, 2013). Platforms continue to evolve into personalized spaces that will better support individualized learning styles.

**Process**

The simplicity of the process in registering and logging into the course is as important as the components mentioned ahead. Butcher (2002) mentioned that each user or learner should be assigned a unique user name and password, and this process should be available online to reduce the need of administrative overhead. Further recommendations by Butcher include consistency, clarity and visibility throughout the platform, and fewer graphic is also advised to minimize the loading time. As the student body will be from around the globe and a variety of generations, it is important to ensure that processes are as easy to follow as possible. A variety of devices will be used to access the system so ensuring that the interface displays optimally on each is critical.

**Personalization**

Personalization means the amount of support that the learner receives before, during and after each online class. Successful online delivery institutes run a clear process with clear academic support. Many learners get discouraged by the lack of administrative support, or even slowness in responses. Easy access to administration support through phones, emails or even face to face, will definitely increase learners’ level of satisfaction and decrease the procedure confusion and allow them to focus on their academic success. Some of the institutes that are exclusively online, offer residencies or colloquia as a way to connect and support students so as to increase the retention rate and to offer personal interaction between faculty, administrative and learners.

In addition, faculty should ensure providing a clear corresponding system between them and their students. The expected response time should be established from the beginning of the course to reduce the anxiety and the stress that learners might encounter during the course.
Conclusion
This paper has outlined the 4 P’s necessary to ensure effective online class management. Competition will continue to grow in the online education field as more institutions emerge and technology evolves. The ability to craft learning environments that understand how to motivate learners; support the learning through well-designed portal platform; easy to use learner consistent login process; and personalize learning experiences; With technology rapidly becoming an integral part of daily life, learners will continue to grow in their expectations for more personalized online interactions in both learning and social situations.

References


Accompanying PowerPoint presentations are on ACBSP website

Proceedings – Friday November 29

Accreditation Q & A

Session Presenter

Doug Viehland
Executive Director, ACBSP

On behalf of the ACBSP Board of Commissioners and the ACBSP accreditation staff, Doug provided all present with an update on the many activities currently underway to celebrate the 25th anniversary of ACBSP. The recent actions of the Board of Commissioners were reported in detail. There followed a question and answer session when members communicated concerns related to accreditation.

2014 ACBSP International (and Region 8 Annual) Conference, Athens
November 27 – 30, 2014

Remember that the PowerPoints accompanying presentations included in the 2013 Proceedings are available on the following website

http://www.acbsp.org/?ic2013_postconf
Proceedings – Saturday November 30

Region 8 Business Meeting

Members of ACBSP region 8 held their Annual General meeting – the minutes will be sent to members early in 2014. Elections took place and the following members were elected:

ACBSP Region 8 Secretary: Dr. Alfred Miller
ACBSP Region 8 Prospective President Elect: Dr. Ted Sun
ACBSP Region 8 Prospective Secretary: Matthew Andrews

Closing General Session

Keynote Speaker

Joost P van Iersel
European Economic and Social Committee

Joost van Iersel who is a member of the European Economic and Social Committee (EESC) closed our International conference with remarks which focused on his experience as the EESC expert on universities and the work underway by Europe 2020. Europe 2020 is the EU’s growth strategy for the coming decade. This was particularly relevant to our ACBSP meeting since the subject of accreditation for European universities was raised and indications were given that there is a strong movement to raising the standards of accreditation at European universities in the short-term.

Memorandum of Cooperation

The closing session of the 2013 International Conference also featured the signing of a Memorandum of Cooperation agreement with Okan University which is a private university in Istanbul.

Gala Reception & Dinner

The formal proceedings of our first International conference closed with a Gala Dinner when participants were recognized, presenters appreciated, sponsors applauded and attendees thanked for their presence.
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Electra Palace Hotel Athens • Athens, Greece
November 27 - 30, 2014

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Philadelphia Marriott Downtown • Philadelphia, Pennsylvania
June 12-15, 2015