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# Challenges and Opportunities in Business Higher Education

Dale H. Shao

*Marshall University*, [shaod@marshall.edu](mailto:shaod@marshall.edu)

Lawrence Shao

*Marshall University*, [shao@marshall.edu](mailto:shao@marshall.edu)

Ralph E. McKinney

*Marshall University*, [mckinney23@marshall.edu](mailto:mckinney23@marshall.edu)

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## CHALLENGES AND OPPORTUNITIES IN BUSINESS HIGHER EDUCATION

Lawrence P. Shao, Marshall University, Huntington, WV, USA  
 Dale H. Shao, Marshall University, WV, USA  
 Ralph E. McKinney, Jr. Aston University, Birmingham, UK

### ABSTRACT

*The catchphrase "Today's Challenges Lead to Tomorrow's Opportunities" succinctly describes the environment currently relevant to the area of business higher education. The future of business higher education in the 21st Century will involve dramatic changes that will lead to a vastly different business education environment than we have today. By recognizing opportunities and preparing strategies to embrace these changes, business schools will be better able to prepare for what lies ahead. There will be new opportunities to try strategic initiatives that could not have been previously attempted. Business schools must look for new alternatives and utilize a proactive approach for the "new non-normal" environment that is the future of business education. This paper will examine the major challenges and opportunities in business education. A discussion will also be provided on possible solutions to the problems facing business schools. It is important to realize that, the challenges and opportunities facing business higher education include technical as well as nontechnical influences. Recent technological advancements also offer both tremendous challenges and significant opportunities for business school administrators as they guide their institutions into the future.*

**Keywords:** Business Higher Education, Challenges in Business, Strategic Initiatives, Business Opportunities

### 1. INTRODUCTION

A mission statement describes why a school exists. It describes the school values and who their customers are. It is a statement of purpose and focuses on the present. As a result, the mission statement addresses the end goal of the college. Unlike other colleges within a university, business schools have multiple end goals including educating students, fostering economic and community development and providing meaningful community service. While the education of students is the primary end goal, the challenges and opportunities that directly impact those end goals of business schools include funding opportunities, business accreditation, globalization efforts, entrepreneurship programs, energy and sustainability initiatives, executive education offerings, enrollment management efforts, changes in technology, demographic shifts, and curriculum efforts. This article will examine many significant challenges and opportunities related to business schools and address what the future holds for business schools. As will be illustrated in this paper, recognizing the major problems business schools face in higher education is one thing, providing meaningful solutions to the challenges require an entirely different process.



**Figure 1 – Mission Statement Influences**

## 2. FUNDING OPERATIONS

Funding business school operations is one of the most challenging responsibilities administrators face in operating a thriving business school. Maintaining and enhancing revenue sources will continue to be an ongoing concern as business schools address unprecedented budgetary challenges. This will strengthen the need for business schools to be as self-sufficient and self-reliant as possible as state appropriations and college endowments continue to dwindle. Business school administrators must pursue both traditional and innovative approaches for generating revenue to sustain finance budgets.

Other methods employed by business schools to generate income may include:

- Developing innovative programs such as distance education programs
- Offering graduate and undergraduate earned-income programs
- Charging tuition differentials for high demand courses
- Providing certificate programs and executive training
- Offering blended and electronic online courses and programs
- Increased emphasis on applying for state and federal grants
- Soliciting private donations from business and alumni.

Each academic institution is made up of a unique set of attributes for which the preceding may or may not yield concrete improvements in finances. All of the possibilities should be fully investigated to determine their potential for revenue enhancement at individual schools.

## 3. GLOBALIZATION

Globalization of an institution provides both significant opportunities and great challenges for business schools, both domestically and internationally. It is becoming increasingly difficult to be considered a relevant business school without having adequate global emphasis throughout a school's business programs. In total, the U.S. population represents only five percent of the world population. Since most business consumers throughout the world are international residents, all students should view business using an international perspective. The demand for business education has been and will continue to increase globally. With a global population of over 100 million international college level students, business schools will compete globally for faculty, students, and resources. Global expansion creates opportunities for faculty and students for exchange programs, co-university programs, and for satellite campus environments. Global programs can be considered a means to an end for business schools.

Direct benefits resulting from global programs include;

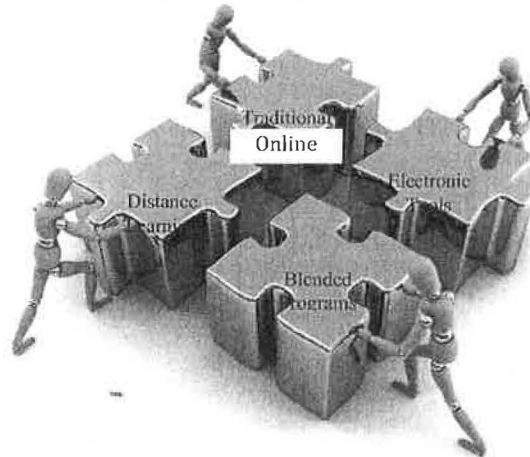
- Tuition revenue
- Faculty development
- Culture enhancement
- International name recognition
- Assistance to enhance diversity experience

Students reap career development benefits when their academic education includes the development of a global view. Most academicians and businesses would agree responsible citizenship implies a global business perspective. In addition, the student is better prepared to compete in the new international environment. Study abroad programs can provide life-changing international experiences for students that broaden their business perspectives and enhance their resumes. It is an important feature on a resume since global experiential learning is highly valued by both domestic and international employers.

While only a small percentage of undergraduate students actually participate in a study abroad program, the world's population and economic growth will continue to expand in the coming decades and require more globally aware employees. International experiential learning is becoming increasingly important to both undergraduate and graduate students and will impact their hiring potential.

#### 4. TECHNOLOGY

With all the technological advances that have occurred during the past several decades, there is no doubt we are living in extremely dynamic technological times. There has been significant growth in the use of technology at home, when relaxing, and in the everyday and long term work environment. The use of handheld smart devices such as smart phones, have resulted in an exponential growth in the daily use of emails, text, searches engines, all that electric commerce entails, and social media. The rate of change will continue to accelerate as organizations figure out more and better ways that technology can positively affect how we work, study and interact with each other. Social media is becoming a major tool for learning in higher education and as a major marketing tool for businesses. For many business schools, there has been a rapid increase in the application of distance learning programs. With advances in technology, the lines are blurring between distance learning and traditional face-to-face classroom instruction. Blended programs, that require a mix of face-to-face class and online class learning, are helping business schools internationalize, diversify, expand and improve education. Many schools are relying more heavily on distance education as an important revenue source. A continuous investment in technology helps create a vibrant and relevant campus that attracts both students and faculty. Technology is changing the way business students learn, communicate, collaborate, and study on and off campus. It is also improving interactions among faculty, staff, students, businesses, hiring firms, and potential donors.



**Figure 2 – New Model for Business Learning**

Technology has and will continue to play an increasing important role in higher education. Technology will lead to dramatic changes in both the delivery and content of business education. We will continue seeing business schools create technology-based cultures, and subcultures, to meet increased workplace demands. Schools will continue to increase the number of online courses they offer, greatly increase the number of blended courses offered, develop newer, more innovative, programs, where technology is used in creative ways, and integrate new technology as it enters the mainstream from its development laboratory setting. More faculty will post class material and video recordings of lectures online. Networking tools (blogs, wikis, and website) will facilitate collaborative learning. Business schools are becoming more comfortable with using the Internet to market academic programs to prospective students. Zinch.com targets high school students applying for college. SecondLife.com provides a virtual tour of college campuses. CollegeWeekLive.com provides free, online college fairs featuring hundreds of universities. College View provides free, online college finder and recruiting service. Not all use of technology has been productive, but, as society becomes more comfortable with the use of technology, there will be continual improvements in its use and increasingly successful uses of the technology.

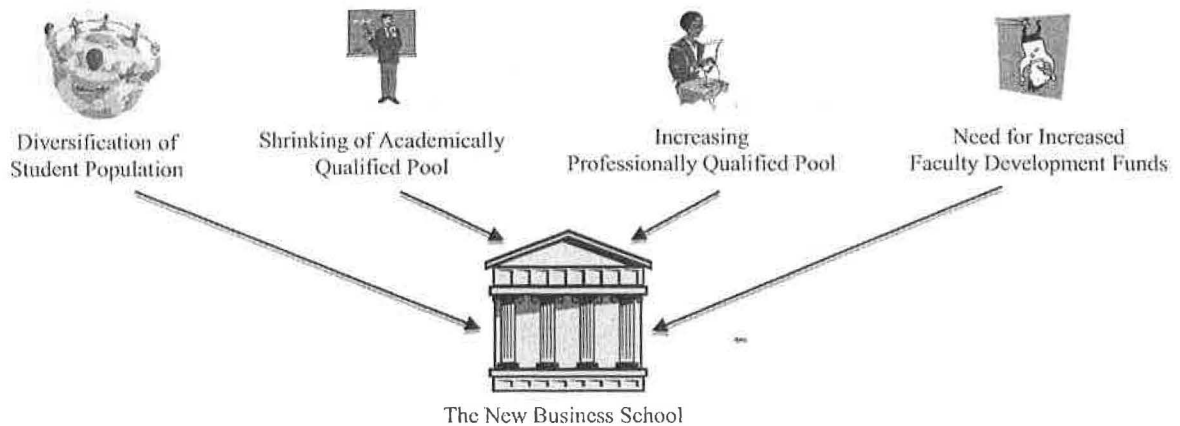
Technologically advanced business students are requiring more and better technology on campus. They expect business schools to have the technologies available that allow them to effectively compete for jobs in industry. It is important that business schools integrate the technologies in the curriculum to further enhance the college learning experience.

## 5. DEMOGRAPHIC SHIFTS

Faculty shortages will to be a major concern for business schools in the near future as many faculty retire and fewer students apply for Ph.D. programs. Budget restrictions will make it more difficult to hire and retain academically qualified faculty. As a result, efforts are underway to rely more heavily on professionally qualified faculty as a bridge program to fill the projected qualified faculty gap.

As a growing number of baby boomer business school academicians retire during the next several decades, it will become increasingly difficult to hire and retain new faculty. Business schools need to carefully consider the faculty pool of the future in their strategic planning.

As the potential pool of new faculty changes from the traditional pool of available faculty, resources for faculty development will be an increasingly important pecuniary benefit for the recruitment and retention of qualified business faculty. Only through proper training, which will require more faculty development resources, can the new pool of faculty result in adequately trained professors.



**Figure 2 – The New Business School**

It was mentioned there will continue to be increases in the number of international students attending business schools. The make-up of the student body at business schools will also change in other ways as the demographic characteristics of college age student's also change resulting in a population with different life experiences.

During the next several decades, the U.S. college student body will be more diverse, older and female. While the Caucasian population has remained relatively constant, the population of minority groups continues to grow with Hispanics, African-American, and Asians, experiencing the greatest population growth rates. It is important for colleges to place a high priority on their diversity efforts since the fastest growth sectors in higher education will be minority students. It is estimated that by 2040 the minority population will be at "tipping point" and the current majority population will become the minority population.

## 6. BUSINESS CURRICULUM

A balanced curriculum of liberal arts and specialized business courses within business schools will take on greater importance in the near future, e.g., business curricula will require more foreign language and international cultural study courses. Business schools must provide students with the skills and experiences necessary to compete in global markets.

A balanced education will help develop the skill set needed to compete for jobs of the future, due to the increasingly global reach of business, and the increased complexity that accompanies these major changes in business.

Another way employers deal with the changes occurring in business is they place a high priority on crucial employee skills including communication, knowledge, leadership, problem solving and critical

thinking. Business schools must consider all of these requirements when developing their long term strategies.

Experiential education will take on added importance in business school curriculum in the future. It is becoming the cornerstone of education in many business schools. We are seeing an increase in practitioner faculty at many business schools. The emphasis is on being able to apply business education and this will result in more practical applied courses being offered to business students as opposed to theoretically based course work. T

he ultimate goal is to produce "workforce ready" graduates that have learned from programs that have emphasized experiential, practical-based, learning. Employers want better trained graduates who have had "close to" or real hands-on, real-life experience, and training, to join the companies.

While some corporate training is expected, employers, increasingly, want graduates who have already acquired the skills from their universities that are necessary to succeed in the workforce. Interpersonal skills are another tool growing in its importance and is, quickly become, one of the most important skills needed to succeed in business today.

## 7. CONCLUSIONS

Higher education in general, and business schools in particular, are experiencing dramatic changes in all aspects of the academic profession. With the rising popularity of online learning, higher education is becoming more accessible and convenient for students. The structure of business schools is becoming more streamlined with technology advancements, while funding sources are shifting from traditional sources of state appropriation, and tuition to more self-reliant, self-sustaining revenue sources.

Faculty make-up is moving away from the traditional academically qualified instructors to the more pragmatic, professionally qualified classroom instructors. Student-body make-up has been slowing shifting from the traditional male, Caucasian, young college-age student, to more female, non-traditional, minority students.

These trends are expected to increase during the next few decades until it becomes the "new norm." It is imperative that business schools administrators recognize the challenges and opportunities available to business higher education, so they will be better prepared to deal with the new business higher education environment of the future.

The business higher education structure of tomorrow will be vastly different from the academic business school structure of today. Business schools that recognize and adjust to the dynamic environment that they are currently experiencing and adjust to its influences will thrive, those that do not will experience major problems.

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