

# MBA CURRICULA IN INDIANA AND THE NEW ECONOMY

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## INTRODUCTION

During the past two decades, growing use of information technology has brought about qualitative and quantitative changes that are transforming economic structure, functioning, and rules—a phenomenon referred to as the New Economy (Atkinson, 2002). The economic realities of the New Economy have been measured on 21 factors, which group into five major indicators of the New Economy (Atkinson, 2002). First, the New Economy is knowledge- and idea-based, with increasing numbers of jobs related to the processing of information. Second, the globalization of business offers new frontiers of opportunity for businesses that have the know-how to compete. Third, the New Economy has created a dynamic business environment characterized by continuous job churning and the fast-paced creation of “gazelle” jobs, in which uncertainty necessitates adaptability to change. Fourth, the economy is increasingly digitalized, with information technology becoming pervasive at every level and in every aspect of business and manufacturing operations. Fifth, growth and success in the New Economy depend on innovative ideas in service and manufactured goods and on industry investment in research and development.

Businesses, organizations, governments, and educational institutions are taking steps to prepare their workforce and infrastructures for success in the New Economy. With rankings of 41 (out of 50) in the number of knowledge jobs, 22 in globalization of business, 30 in economic dynamism, 31 in implementation of the digital economy, and 36 in innovation

capacity (Atkinson, 2002), the State of Indiana still faces significant challenges in its effort to become competitive in the New Economy. At the same time, the state is witnessing a serious brain drain of college graduates (Indiana Fiscal Policy Institute, March 1999), as well as the closing of large numbers of businesses and industries (*InContext*, February 26, 2004).

This paper examines MBA Programs offered at universities in Indiana, in order to determine how well they are preparing their graduates with the skills they need to help Indiana’s businesses and organizations move forward successfully in the New Economy.

## NEW ECONOMY SKILL COVERAGE IN INDIANA’S MBA PROGRAMS

MBA degrees are offered at a number of universities in Indiana, giving the state’s institutions of higher learning an opportunity to prepare their graduates with the particular set of skills they need to assume leadership positions in business and industry in the New Economy.

### **A. Identification of Skills for the New Economy**

New Economy skills often mentioned by educators, policy makers, and researchers include oral and written communication, team skills, analytical skills, creativity skills, adaptability skills, interpersonal skills, technology skills, diversity skills, lifelong learning skills, organizational/planning, accountability, leadership, and global awareness (Kezar, 2003; Hudgins, 2002; Kearns, 2001;

Atkinson, 2002; Potomac KnowledgeWay Project, 1999; Gibbs, 2001; North Central Regional Education Laboratory, 2004; Institute of Education, 2000; Laudon and Laudon, 2004; Canada's SchoolNet, 2004).

- **Communication skills--written and oral.**

The dynamic, global business environment of the New Economy will bring business people to interact on a regular basis with more people and more diverse individuals, making written and oral communication skills essential for success.

- **Team skills.** In the New Economy, the increasing integration of the business functions will make ad hoc, dynamic groupings of employees more frequent, making the ability to work effectively as a team member even more important.

- **Analytical skills.** The business environment of the New Economy is increasingly complex, necessitating the ability to consider a great number of factors in analyzing and problem solving, by creating and using knowledge work systems, data warehousing, and data mining.

- **Creativity skills.** Innovation is a major characteristic of the New Economy, with success depending on creativity and thinking "outside of the box."

- **Adaptability skills.** The dynamic nature of the New Economy and frequent changes in technology demand that employees be flexible, adaptable, and able to deal with change.

- **Interpersonal skills.** More frequent dealings with employees in other business functions, as well as with increasing numbers of customers and others outside the organization and around the globe, will require excellent interpersonal skills.

- **Technology skills.** To be successful in the New Economy, even small businesses need to keep up with new trends in technology and require technological-savvy employees to implement and maintain state-of-the-art technology.

- **Diversity skills.** In an increasingly diverse workforce, employees must appreciate and respect differences among people and be able to work with a variety of different people.

- **Lifelong Learning skills.** The dynamic nature of the New Economy demands the creation of a culture where people can learn what they want, when and where they want, and how they want. Educational institutions must offer flexibility that enables and encourages continuous updating of evolving knowledge and skills so that employees can remain employable in an environment of job churning.

- **Planning/Organizational skills.** The increasing complexity of business operations and the pervasive integration of information technology create new organizational challenges for managers--the loss of control over systems created by distributed network environments, connectivity and application integration challenges, organizational change, enterprise computing costs, scalability, reliability, and security.

- **Accountability skills.** Employees need to be aware of the social, ethical, and environmental implications of their work. The integration of information systems within and between organizations makes security and trust important factors in business operations.

- **Leadership skills.** A dynamic business environment demands business leaders who are willing to champion and support

existing projects, as well as new ones, and who have the global vision necessary to be open to and to successfully explore the myriad of opportunities available to businesses in the New Economy.

- **Global Awareness.** The global nature of the New Economy demands that employees understand the implications of global business on their company's operations and are savvy about dealing with the complexities of international business.

## **B. Rating of MBA Course Coverage of New Economy Skills**

### **1. Methodology**

#### **a. Identification of MBA Programs offered in Indiana**

On-campus MBA Programs in Indiana were identified from an online list of universities (All Star Directories, 2002-2004), and information about each program was obtained from the official university program website.

#### **b. Rating of Missions/Objectives**

The Mission Statement and Program Objectives for each MBA program were rated on an ascending scale of 1 to 3, based on the amount of content related to the realities of the New Economy—globalization, digitalized economy, technology, diversity, innovation, leadership, adaptability, lifelong learning, etc. A rating of 1 was given to programs whose Mission/Objectives indicate no mention of the realities of the New Economy. A rating of 2 was given to programs whose Mission/Objectives include at least some mention of the realities of the New Economy. A rating of 3 was given to programs whose Mission/Objectives show moderate to thorough coverage of New Economy issues.

### **c. Rating of MBA Course Offerings**

Course offerings listed in MBA Program websites were examined, and each course listed was categorized as to its coverage of one of the New Economy skills: Communication, Teamwork, Analysis, Innovation, Adaptability, Interpersonal, Technology, Diversity, Organizational/Planning, Accountability, Leadership, Global Awareness. Each course was placed in one and only one skill category.

For each MBA Program, the number of courses determined to be in each skill area was divided by the total number of courses offered in the MBA program, yielding a percentage of coverage of each skill. A percentage was also obtained for each of the skills across all of the programs, to determine the percentage of coverage of each skill in all the programs combined.

### **d. Rating of Lifelong Learning**

Since lifelong learning is not something offered in a particular course, a decision was made to rate MBA Programs on a set of factors that indicate the degree to which they supported students' learning what they want, where and when they want, and how they want. These factors included: 1) the number and variety of courses offered, 2) the availability of MBA Executive Programs, 3) online course offerings, 4) majors/minors/concentrations, 5) flexibility regarding the length of the program, class meeting times, and locations of classes offered. MBA Programs were rated on a 4-point scale, according to the number of the above options available to students. A rating of 1 indicates no support for lifelong learning, and a rating of 4 indicates a significant number of factors that support lifelong learning. The rating for Lifelong Learning for each MBA Program was listed separately from the New Economy skill course ratings.

### **e. Rating of MBA Program Majors/Minors/Concentrations**

Seven MBA Programs in Indiana offer Majors, Minors, or Concentrations as part of the MBA Degree. These Majors, Minors, or Concentrations were examined to see which of them are offered in topic areas related to the New Economy skills. One point was given for each Major, Minor, or Concentration in each topic area. A total number was obtained for each MBA Program and a total for each skill, across the programs.

### **Results**

#### **a. Results for Rating of Missions/Objectives (see Table-1)**

Missions/Objectives of MBA Programs ranged from zero coverage of New Economy issues to significant coverage. Interestingly, the Missions/Objectives ranking was found not be a reliable indicator of the actual coverage of New Economy skills in MBA Program courses. For instance, Indiana University's Mission Statement received a rating of 1, but it also received the top ranking, 138, for the number of courses offered related to New Economy skills. Programs with such a discrepancy have apparently not yet updated their Mission/Objectives to reflect the quality of their programs. On the other hand, MBA programs whose Mission/Objectives received high ratings, but whose course coverage of New Economy skills is actually mediocre to sparse need to implement the commitment to preparing their students for the New Economy which is promised in their Mission/Objectives.

#### **b. Results for Ratings of Course Coverage of New Economy Skills**

Table-1 shows the number of courses offered by each MBA Program in each of the New Economy Skill areas, and Table-1A shows the percentage of the total courses in each MBA Program offered in each skill area. Not

surprisingly, the state's large universities, Indiana University's Kelley School of Business, Purdue University's Krannert School of Management, Notre Dame's Mendoza College of Business, as well as the technical-oriented Devry University's Keller Graduate School of Management, offer the largest numbers of courses overall, including a large number of electives (see Table-1). However, although many of the smaller programs do not offer as many electives, their percentage breakdowns in the skill areas show coverage of a variety of skills in their courses (see Table-1A). Results for the percentage of each New Economy skill across all of the MBA Programs revealed significantly uneven coverage. Organizational/Planning Skills are represented in an average of 30% of courses offered in all of the programs, followed by Analysis Skills, at 22%, Technology at 15%, and Interpersonal Skills, Accountability Skills, and Global Skills, at 10%. After this, the percentages fall significantly. Communication is represented in an average of only 2% of all courses, while Diversity, Teamwork, Innovation, Adaptability, and Leadership are represented in an average of less than 1% of all courses.

#### **c. Results for Rating of Lifelong Learning (see Table-1)**

All of the MBA Programs showed some degree of support for Lifelong Learning. The highest rating was given to the largest programs, Devry University's Graduate School of Management; Indiana University's Kelley School of Business main campus and Indianapolis campus, Purdue's Krannert School of Management; and Notre Dame's Mendoza College of Business.

#### **d. Results for Ratings of MBA Program Majors/Minors/Concentrations (see Table- 2)**

Seven MBA Programs were found to offer Majors, Minors, or Concentrations in areas related to the New Economy skills. A total of 54 Majors, Minors, or Concentrations related to New Economy skills are offered in the seven

programs. Devry University's Graduate School of Management, with a rating of 14, Indiana University's Kelley School of Business, with a rating of 11, Notre Dame's Mendoza College of Business, with a rating of 10, and Purdue University's Krannert School of Management, with a rating of 10, ranked highest. The most Majors/Minor/Concentrations are offered in courses that develop Organizational Skills, followed by Technology and Analysis Skills.

## DISCUSSION OF RESULTS

The above examination of MBA Programs in Indiana universities indicates a wide range in the amount to which New Economy skills are included in course offerings. The results indicate that, as was to be expected, the largest, most prestigious universities, Indiana University, Purdue University, Devry University, and the University of Notre Dame offer a much greater number and variety of courses. Great discrepancy also exists in the percentages of particular skill areas covered in MBA courses. Organizational/Management Skills, Analysis Skills, Technology Skills are receiving the most coverage. Global Awareness Skills, Accountability, and Interpersonal Skills are receiving moderate coverage, but other areas such as diversity, communication, teamwork, innovation, and adaptability are given much less coverage. Lifelong learning issues are being addressed by all of the MBA Programs, all of whom offer varying degrees of flexibility in order to offer a variety of programs and options to students and practitioners.

## LIMITATIONS OF THIS STUDY

This study has shed some light on the nature of coverage of New Economy Skills in MBA Programs, but it also has several limitations. First, the information about MBA Program courses was obtained primarily from Internet web sites, which do not necessarily present comprehensive information about all of the programs. Second, some of the skills, such as

Teamwork Skills and Leadership Skills, which were poorly represented in formal course listings, are skills that are regularly taught across MBA curricula as integral components of many courses. Third, the ratings given to the various courses, as well as to the Mission Statements/Objectives, and Lifelong Learning were based on subjective judgment calls of the authors, who discussed and came to consensus on each rating. Finally, the set of New Economy Skills identified in the study is based on what the authors could glean from relevant literature and does not necessarily represent an all-inclusive list.

## CONCLUSIONS

In conclusion, this study has revealed that, to varying degrees, Schools of Business in Indiana's universities are aware of the realities of the New Economy and of the importance of preparing Indiana's workforce to lead the state to economic success in the 21<sup>st</sup> century. Also evident is the need for Schools of Business to continue to increase their offerings in coursework that fosters the building of the skills business leaders need for success in the New Economy, and to build flexibility into their programs that facilitates lifelong learning. Reports of the decline of jobs, as well as businesses in Indiana, particularly in the information technology sector, underscore the importance of preparing Indiana to move successfully forward in the New Economy (*INContext*, 2004). University curricula, training programs, and academic standards must be updated and expanded, so that, in addition to traditional knowledge, they provide first-class value-added types of knowledge and know-how that will make university graduates and employees in Indiana prepared to compete in the New Economy. More incentives must also be put into place to encourage universities in Indiana to become engaged in the community by offering lifelong learning opportunities, supporting existing and new businesses, and fostering the incubation of hi-tech companies.

Measures such as these can create a line of defense that will prevent Indiana from unknowingly facilitating the further outsourcing of jobs to other states and nations.

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**TABLE – 1**

Rating of New Economy Coverage in MBA Program Missions/Objectives and # Courses offered in New Economy Skill Areas													
MBA Programs	Skills for New Economy												
	Communication	Teamwork	Analysis	Innovation	Adaptability	Interpersonal	Technology	Diversity	Organizational	Accountability	Leadership	Global Awareness	Total Courses
Anderson University Falls School of Business	0	0	0.15	0	0.1	0.1	0	0	0.38	0.1	0.1	0.2	13
Ball State University Miller College of Business	0	0	0.21	0.1	0	0.1	0.21	0	0.24	0	0	0.1	33
Butler University	0.07	0	0.38	0	0	0	0.05	0	0.26	0.1	0	0.1	42
Devry University Keller Graduate School of Management	0.01	0	0.11	0	0	0	0.26	0	0.36	0.1	0	0.1	127
Indiana State University School of Business	0.02	0	0.29	0	0	0	0.08	0	0.5	0.1	0	0	62
Indiana University Kelley School of Business	0	0	0.36	0.1	0	0	0.17	0	0.13	0.1	0	0.1	138
Indiana University - Kokomo School of Business	0	0	0.17	0	0	0.1	0.08	0	0.5	0.1	0.1	0	12
Indiana University -NW School of Business and Economics	0.06	0	0.25	0	0	0.1	0.06	0	0.44	0.1	0	0.1	16
Indiana University - South Bend School of Business and Economics	0	0	0	0	0.1	0	0.08	0	0.42	0.1	0.1	0.3	12
Indiana University-Fort Wayne School of Business and Management Sciences	0.03	0	0.28	0	0.1	0.1	0.06	0	0.36	0.1	0	0	36
IU-Kelley School of Business-Indianapolis	0	0	0.24	0	0	0	0.2	0	0.33	0.1	0	0	49
Indiana University-Southeast School of Business	0.04	0	0.21	0	0	0.2	0.14	0	0.25	0.1	0	0.1	28
Purdue University Krannert School of Management	0.04	0	0.12	0	0	0.1	0.16	0	0.37	0	0	0.1	104
Purdue University - Calumet School of Management	0	0	0.15	0	0	0.1	0.06	0	0.52	0.2	0	0.1	33
Taylor University	0	0	0	0.1	0.1	0	0.08	0	0.42	0.1	0	0.3	12
University of Indianapolis School of Business	0	0	0.43	0	0	0	0.19	0	0.19	0	0.1	0	21
University of Notre Dame Mendoza College of Business	0.06	0	0.15	0.1	0	0	0.09	0	0.2	0.2	0	0.1	81
University of St. Francis College of Health Arts, Graduate, and Professional Studies	0.02	0	0.29	0	0	0.1	0.11	0	0.22	0	0	0.1	45
University of Southern Indiana School of Business	0	0	0.4	0	0	0.1	0.1	0	0.1	0.1	0.1	0.1	10
<b>Total</b>	0.02	0	0.22	0	0	0.1	0.15	0	0.3	0.1	0	0.1	874

**TABLE – 1A**

<b>Rating of New Economy Coverage in MBA Program Missions/Objectives and # Courses offered in New Economy Skill Areas</b>															
	<b>Skills for New Economy</b>												<b>Mission/ Objectives</b>		
	<b>Communication</b>	<b>Teamwork</b>	<b>Analysis</b>	<b>Innovation</b>	<b>Adaptability</b>	<b>Interpersonal</b>	<b>Technology</b>	<b>Diversity</b>	<b>Organizational</b>	<b>Accountability</b>	<b>Leadership</b>	<b>Global Awareness</b>		<b>Total Courses</b>	<b>Lifelong Learning</b>
<b>MBA Programs</b>															
Anderson University Falls School of Business			2		1	1			5	1	1	2	13	2	1
Ball State University Miller College of Business			7	3		3	7		8	1	1	3	33	3	3
Butler University	3	1	16		1		2		11	4	1	3	42	2	1
Devry University Keller Graduate School of Management	1		14	3	1	3	33		46	18	1	7	127	4	2
Indiana State University School of Business	1		18			2	5		31	4		1	62	2	2
Indiana University Kelley School of Business		1	49	7	4	6	24	1	18	10		18	138	4	1
Indiana University - Kokomo School of Business			2			1	1		6	1	1		12	3	2
Indiana University -NW School of Business and Economics	1		4			1	1		7	1		1	16	3	2
Indiana University - South Bend School of Business and Economics					1		1		5	1	1	3	12	3	3
Indiana University-Fort Wayne School of Business and Management Sciences	1		10		2	4	2		13	3		1	36	3	3
IU-Kelley School of Business-Indianapolis			12	2		1	10		16	6		2	49	4	1
Indiana University-Southeast School of Business	1		6			5	4	1	7	2		2	28	2	3
Purdue University Krannert School of Management	4		12	3		12	17		38	5	2	11	104	4	1
Purdue University - Calumet School of Management			5			2	2		17	5		2	33	3	3
Taylor University				1	1		1		5	1		3	12	3	3
University of Indianapolis School of Business			9	1			4		4	1	2		21	3	2
University of Notre Dame Mendoza College of Business	5		12	6	1	3	7	3	16	16	2	10	81	4	1
University of St. Francis College of Health Arts, Graduate, and Professional Studies	1	1	13	1		5	5	1	10	2	1	5	45	3	3
University of Southern Indiana School of Business			4			1	1		1	1	1	1	10	2	2
<b>Total</b>	<b>18</b>	<b>3</b>	<b>195</b>	<b>27</b>	<b>12</b>	<b>50</b>	<b>127</b>	<b>6</b>	<b>264</b>	<b>83</b>	<b>14</b>	<b>75</b>	<b>874</b>		



**TABLE - 2**

Rating of New Economy Skill Coverage in MBA Program Majors/Minors/Concentrations													
MBA Program Majors/Minors/Concentrations	Skills for the New Economy												
	Communication	Teamwork	Analysis	Innovation	Adaptability	Interpersonal	Technology	Diversity	Organizational	Accountability	Leadership	Global Awareness	Total
Devry University Keller Graduate School of Management			1			1	4		7			1	14
Indiana University Kelley School of Business			4	1			2		3			1	11
Indiana University -NW School of Business and Economics			1				1		1				3
IU-Kelley School of Business - Indianapolis			1				1		1				3
Purdue University Krannert School of Management			2			1	2		4			1	10
University of Indianapolis School of Business			1				1				1		3
University of Notre Dame Mendoza College of Business			2	1		1	2		3	1			10
<b>Total</b>			<b>11</b>	<b>2</b>		<b>3</b>	<b>13</b>		<b>19</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>54</b>