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Business Students, What Have You Learned? An Accreditor Wants to Know

Before students can collect an undergraduate degree in finance from Florida International University, they have to demonstrate that they can "identify and analyze derivative instruments and strategies used by investors and corporations to hedge financial risks." At Indiana University at Bloomington, business majors must prove their ability to "recognize ethical issues, demonstrate familiarity with alternative frameworks for ethical reasoning, and discern trade-offs and implications of employing different ethical frames of reference when making business decisions."

Those are just two of the thousands of learning goals that have been defined during the past eight years at the 479 programs accredited by AACSB International: the Association to Advance Collegiate Schools of Business, which collectively account for roughly half of the undergraduate business diplomas awarded in the United States each year. Borrowing a model from engineering education, the AACSB began in 2003 to require programs to establish learning goals for each major, to assess students' progress toward those goals, and to use those assessments to improve curriculum and instruction. The accreditor itself has created a broad list of learning objectives, but colleges are encouraged to expand and tailor that list to fit their own missions.

The hope is that learning assessments will sharpen a vast undergraduate domain (more than one in five of all bachelor's degrees are awarded in business fields) that has struggled with student disengagement.

Most participating colleges measure students' progress by looking at their performance on particular assignments and at tests in their business courses. But some supplement those embedded assessments with national standardized tests of business knowledge (most commonly the Educational Testing Service's Major Field Test in business). And a few, including Florida International, have created exit exams that all graduating seniors must take.

The business-school association's mandate, which is formally known as "assurance of learning," has been embraced by some faculty members who had initially been skeptical.

"Before this system was in place, we had goals, but we weren't really trying to figure out if we were reaching those goals," says Axel Grossmann, an assistant professor of finance at Radford University. "In the last two or three years at Radford, we've really tried to see whether students are learning what we expect them to learn. They're not there yet, but I think we're on the right track."

Among many other changes at Radford, professors in certain courses have added material on the time value of money, because assessments showed that students were not always grasping that concept.

Limits to Assessments

But other faculty members are less happy with the system. "I'm a big opponent of the AACSB assurance-of-learning process, because it can be gamed so easily," says Maheshkumar P. Joshi, an associate professor of management at George Mason University. "It can be rigged because it's all under a professor's control."

While he is sure that most faculty members act in good faith, Mr. Joshi says a devious instructor could use a difficult test at the beginning of the semester and an easy test at the end of the semester. Voilà! The professor could then report to the dean that students had excellent gains in their skills and knowledge.

Some elements of the assurance-of-learning system might be worthwhile, says Paul M. Mason, a professor of economics at the University of North Florida, but he believes it is a mistake for institutions to spend time and money on the Educational Testing Service's business test. In a recent study, he says, he and a colleague found that "we could predict with between 83- and 96-percent accuracy where a student is going to fall on that ETS exit exam simply based on their incoming ACT or SAT score, their business GPA, and their demographic characteristics. What good does that exit exam do if we can infer the same thing from those three variables?"

Richard A. Cosier, a former dean of Purdue University's Krannert School of Management and a former chair of the AACSB's Board of Directors, says he has never heard of instructors' gaming the assurance-of-learning system, and he doubts that such gaming would be possible in a well-supervised program. He is more sympathetic to Mr. Mason's concern about overreliance on the ETS test. The most important kinds of assessment, Mr. Cosier says, are those that are built into coursework itself.

The next important frontier, he argues, is the difficult task of assessing how long students retain their knowledge and skills after they graduate. "There's a lot of empirical evidence that there's a dramatic loss of retention, not only one to five years out, but within a few hours after leaving a classroom," Mr. Cosier says.

If those lists of learning goals become more central to undergraduate business programs, it will be interesting to see if any of them move to a purely competence-based model, in which students could graduate as soon as they demonstrate the required skills, whether that takes them two years or six.

That model might give business students new incentives to put more time into their coursework. As things stand, undergraduates in business majors report that they spend fewer hours on their studies than do students in any other broad field.