

**DEPARTMENT OF ECONOMICS AND MANAGEMENT
STRATEGIC PLAN
EXECUTIVE SUMMARY**

The Department of Economics and Management offers majors in Economics, Management, and Accounting within the context of a Liberal Arts education. We will prepare Gustavus Adolphus College students for positions of leadership and service in economics and management. Our majors emphasize the analytical skills for strategic decision making.

To train students for positions of leadership, we must emphasize excellence in instruction and student performance. To attract and retain excellent professors, this plan proposes that we endow one of the Management Faculty positions at a level sufficient to hire an accomplished scholar at the full Professor rank. We also propose that the College revise its compensation policy to provide pay differential based on market differences between disciplines. The market generally requires higher salaries for the fields represented by the Department of Economics and Management when compared with other disciplines in the College. Failure to address these market disciplines makes it hard to attract and retain quality professors.

The Department of Economics and Management is committed to a Management Major that develops the analytical skills required for strategic decision making. To meet this objective we propose creating a new tenure-line Management position responsible for teaching Management Information Systems and quantitative management courses such as Production and Operations Management. Additionally we propose adding a new tenure-line position in Economics to support a new series of courses in *Economics and Strategic Decision-Making*. By integrating the theme of *Economics and Strategic Decision-Making* with the Management Major, we also promote an interdisciplinary approach to the study of Economics and Management.

In addition to developing courses to support *Economics and Strategic Decision-Making* for Management Majors, the Economics Faculty will develop seminars and electives to support courses in an area *Economic Policy*. This will strengthen the elective offerings of the Economics Major and also provide a rigorous study of issues related to the environment and social justice.

The Accounting Major meets the licensure requirements for CPA's in Minnesota. However, we will promote this major in the context of a liberal education that emphasizes critical thinking and linking the training in accounting with economics, management, and other disciplines on our campus.

DEPARTMENT OF ECONOMICS AND MANAGEMENT STRATEGIC PLAN

Section 1 Department/Program/Center Description

1.1.1 Mission, vision, and goals

Mission Statement

The mission of the Department of Economics and Management at Gustavus Adolphus College is to achieve excellence in providing our students with a globally informed liberal arts-based education in economics, management, and accounting. The ultimate purpose is to enable students to achieve their full potential and to prepare them for fulfilling lives of leadership and service.

Vision Statement

The Department strives to be recognized by current and prospective students, faculty, graduate programs, and prospective employers for excellence in economics, management, and accounting education within the liberal arts context of the College. We want our majors to be among the most desired by Gustavus' very best students.

Objectives

In pursuit of our mission and vision, we seek to:

1. Prepare Gustavus Adolphus College students for positions of leadership and service in economics, management, and accounting;
2. Train our students to use a variety of analytical methods to evaluate economic policy and make effective business decisions;
3. Enable students to understand what it means to be part of a global economy;
4. Develop students' skills in creative and critical thinking and problem solving, effective communication, and working effectively within groups;
5. Expose students to ethical issues germane to their disciplines;
6. Promote financial and economic literacy as service to the broader College community;
7. Offer students exceptional opportunities for internships, independent research, and service;
8. Enable students to understand connections between disciplines both within our department and with the liberal arts offerings of the College;
9. Encourage students to discover the pleasures of lifelong learning;
10. Foster diversity in the philosophical and pedagogical approaches of the Department of Economics and Management faculty; and
11. Increase opportunities for student-faculty research.

1.2 Programs

1. Economics Major: This major has both an Analysis Track and a Finance Track
2. Management Majors: We offer both a Management Major and an International Management Major
3. Accounting Majors: We offer a regular four-year Accounting Major and a Public Accounting Major.
4. Minors: We offer minors in Economics and Management.
5. Environmental Studies: We support an Economics Concentration track in the Environmental Studies Major. This track consists of Principles of Microeconomics, Economics of the Environment and Natural Resources, plus three courses chosen by the student in consultation with an advisor in Economics and Management.
6. General Education: Principles of Macroeconomics supports the Social Science Perspective in Curriculum I.

1.3 Support relationships

Department of Mathematics and Computer Science: All Economics and Management students must complete MCS-121 Calculus I (or its equivalent) and a statistics course. While we do offer statistics within the Department, several of our students satisfy this requirement in the Department of Mathematics and Computer Science. We strongly advise our Economic Analysis Majors to minor or double major in Mathematics. We are committed to strengthening our relationship with this department.

Career Center: Career Exploration and Internships are very popular among our students. We have received very good support from the Career Center in placing our students in ~~good~~ *quality* internships.

International Management Major: This major requires students to complete three intermediate language courses as well as three additional courses in History, Political Science, and/or culture in a specific region. At the moment we tend to build our program around what is offered. The Department should work with the departments supporting these International Foundation options to develop a more deliberate relationship.

Environmental Studies Major: We support an Economics Concentration as described in 1.2 Programs (above). The professor teaching Economics of the Environment routinely meets with the Environmental Studies Committee.

Psychology views Organizational Behavior as an enrichment opportunity for their students. We likewise encourage our students who are pursuing career interests in Human Resource Management to explore Psychology courses that cover parallel interests.

Section 2 Strategic Review

2.1 Strategic issues

The following summarizes the current situation of the Economics and Management Department's Strengths, Weaknesses, Opportunities, and Threats:

Strengths

1. Combining the three disciplines (Management, Economics, and Accounting) in the same department provides synergies. Students are able to see the connections between the three disciplines, and faculty have more opportunities to contribute to programs outside their discipline.
2. Majors in all three of our disciplines emphasize a Liberal Arts approach to instruction and learning.
3. Our graduates are held in high regard by the business community. (I base this from interviews with internship supervisors.) Most Accounting Majors are hired by reputable CPA firms. Others find good jobs with reputable companies or the government.
4. Our accounting program qualifies students to sit for the CPA exam. Most can meet the 150-hour education requirement within a semester of normal graduation from Gustavus.
5. We strongly advise and encourage our majors—especially International Management—to study abroad during their time at Gustavus. We work closely with them and are both flexible and creative with our curriculum to accommodate their needs and opportunities and keep them on pace for graduation.
6. Very strong internship programs.
7. Committed teaching faculty.
8. Many management and accounting faculty members have prior business experience.

Weaknesses

1. Compared to other departments, we have a lot of continuing term appointments.
2. The College's compensation structure is not competitive with the market for hiring and retaining faculty in our fields.
3. Staffing constraints limit the ability to offer electives (especially in Management), senior seminars, and honors programs.
4. Staffing constraints make it difficult to be active in college-wide programs such as WRITD, FTS, Curriculum II, and January Term.
5. The "scholarly, professional, and creative" activities of faculty in our department are often not as outwardly visible, nor as well understood or appreciated as the traditional academic presentations and publications of those in most other departments.

Opportunities

1. Accounting firms project a shortage for accountants for the next five or more years. This gives good job opportunities for our graduates and a strong demand for our Accounting Program.
2. Our majors consistently make up from 20 to 25 per cent of the graduating classes. There is no sign that this trend will change.
3. We do not face much competition from peer institutions in Management and Accounting because these programs are not common in liberal arts colleges. This relates to the first Strength that this document identifies, because these programs differentiate Gustavus Adolphus College from other colleges and universities.
4. Both Economics and Management Majors are popular among male students. This helps the College maintain a balanced Male/Female ratio.

Threats

1. Four of eight tenured/tenure-track faculty and two of three term faculty are currently within seven years of traditional retirement age. (Two positions have searches ongoing at this time.)
2. The Gustavus pay structure is substantially below the market for doctorally qualified faculty *in Economics and Management—especially* Management, Accounting, and Finance. This presents both hiring and retention challenges.
3. The tenure and promotion system at Gustavus Adolphus College does not require, but it assumes the faculty member has a doctorate. It is likely that many of our management and accounting faculty will not fit this pattern.

2.2 Barriers

The Gustavus Faculty salary structure is a significant barrier to our department in hiring and retaining high quality, doctorally qualified faculty. While we believe that we can offer a quality academic program with some of our faculty having the M.B.A. or equivalent and professional certification and/or experience, those faculty members will often not “look like” most other faculty or engage in the same “scholarly, professional, and creative” activities. This, especially when combined with a pattern of term appointments, presents challenges for performance evaluation generally, and tenure and promotion evaluations in particular.

Because of staffing constraints, the Department has not been active in General Education activities. This causes other constituencies of the College to overlook our talents. We could contribute toward the College’s interest in leadership, current economic issues, and the environment, but we do not have the staff to develop courses for the general audience in these areas.

Section 3 Strategic Initiatives and Recommendations

This section lists several strategic initiatives followed by the rationale for each initiative. (The rationale for each strategy identifies the objective(s) that it supports.) The first

subsection describes strategies applicable to the department as a whole; the remaining three subsections describe initiatives for individual majors.

3.1 Department-Wide Strategies

1. To continue to offer majors in Accounting, Management, International Management, and Economics.
Rationale: Gustavus Adolphus College has a long tradition of programs in these areas. All of these majors have sufficient student interest to maintain their viability. As a department we strongly feel that success in one area depends on success in the other areas. (Objective 1)
2. To maintain, and where necessary, strengthen the relationship between the disciplines represented in the Economics and Management Department.
Rationale: While we are one department, we actually represent three separate, but related, disciplines (accounting, economics, and management). International Management and Public Accounting are listed as separate majors, but in reality they are special focuses of our Management and Accounting Majors respectively. For graduates in any of these programs to be successful, they must achieve a minimum level of proficiency in other areas. (Objectives 2, 4, and 8)
3. To increase the number of teaching faculty in the Department of Economics and Management to at least 15 full-time *teaching* professors (compared with a current staffing of 13).
Rationale: The Department, as expected, lost between six and eight sections per year with the conversion to the six-course teaching assignment. The short-term solution has been to handle these losses with overload contracts for J-term, but it is unhealthy to continue on that path for very long. Spreading our lost sections across three disciplines makes it virtually impossible to replace them with one hire representing a single discipline. Hiring two full-time teaching faculty members—one in Economics and one in Management—would give us 12 new sections per year. With those added sections, we propose offering:
 - a. four J-term or FTS sections per year (see Department-Wide Strategy #6 below) to promote financial literacy to the general student population outside of our majors,
 - b. four sections per year of junior level courses and senior seminars (Economics Major Strategy #1), and
 - c. four additional sections to provide relief from enrollment pressures and develop one or two more Management electives.We do not seek these positions to expand department enrollments, but rather to better serve our existing enrollments, to enhance our curriculum, and to offer more service courses in support of the College's general education goals. (Objectives 2, 4, 6, and 10)
4. To increase the course release for the Department Chair to four courses a year and secure a 16th position (term appointment) to handle the teaching assignment the

chair would have handled prior to election as chair. We see the chair as being elected from current members for a three-year term as per the Faculty Handbook, but during the term of office having expanded administrative duties.

Rationale: The size and diversity of the Department presents some management challenges that require more attention than only two-course release can provide. For the foreseeable future, the Chair will have to be active in hiring and mentoring several new faculty members. The administration of the College wants the Department to become more visible to external constituencies, and several of our goals and strategic initiatives require strong support for internships and international opportunities. (Objectives 1, 7, and 10)

5. To secure sufficient endowment for one of the Management Faculty positions to hire and retain a person with a Ph.D. from an AACSB accredited school of business. At the time of appointment, this person should have the scholarship and teaching experience to be appointed at the Professor rank.

Rationale: Ideally, tenure-line faculty in Management should have a Ph.D. from a school of business. However, the current market for this credential is significantly above the Gustavus salary structure. Consequently, we have often interviewed and hired candidates with combining degrees in related areas plus business experience. Having at least one graduate from a School of Business with a strong record of scholarship will provide some academic leadership for this program.

6. To work with the administration and the appropriate faculty committees to develop a compensation system that is more sensitive to the market salaries for management, accounting, and economics faculty at four-year colleges.

Rationale: Gustavus' current salary structure falls well short of market salaries in all three of our disciplines. We have had two failed tenure-track searches in management in the last three years, and we lost a tenure-track economist after his third year due to GAC's compensation structure. Failed searches and turnover have distracted us from converting one or more of our term positions to tenure-track. Continued turnover in term positions and the inability to retain some of our tenure-track hires make it difficult to assure continuity in our curriculum, in student advising, and in department planning. (Objective 10)

7. To emphasize student performance expectations to improve quality in our majors and better prepare our students for graduate school.

Rationale: This strategic plan stresses analytical skills and student research. We currently require a C+ average in the department core, and a C- or better in all courses counted towards the major. We are exploring higher standards with stricter enforcement to assure that our students are better prepared for upper level courses. (Objectives 1 and 9)

8. To offer on a regular basis at least four January Term or First Term Seminar courses a year to serve the general College population. These courses will be in

addition to courses that are currently both a part of our major and a liberal arts perspective. We suggest the following courses as filling this need:

1. An introductory business course for non-majors.
2. Personal Financial Planning
3. A course in current economic issues for non-majors
4. Global Economic Issues (for non-majors)

Rationale: We currently offer only one First Term Seminar Course as an overload. All of our January Term courses are staffed as overloads. Assuming we get the additional positions, we should offer on a regular basis courses designed to strengthen the financial and economic literacy of the broader College community. (Objective 6)

9. To continue working with the Career Center and employers to support internship and employment opportunities for our students.

Rationale: Currently half of our Accounting Majors complete internships in the spring semester of their senior year. Additionally, we sponsor about 30 Career Explorations in January. Our students value these experiences, but we should continually review these programs to make sure that they are getting the best possible benefit. (Objective 7)

10. To improve tracking of alumni who have completed graduate programs or obtained professional certification to determine how well our programs met their needs.

Rationale: The above Vision Statement states that we aspire to be recognized for excellence by employers and graduate schools. Surveying our alumni will provide feedback on our successes and indicate areas for improvement. This strategy will have to overcome the challenge of our students often attending graduate school after several years in the work force. (Vision Statement and Objective 1)

11. To increase dialogue with Admissions and Institutional Advancement so that they can more effectively communicate the strengths and needs of our department to their respective audiences.

Rationale: This department has produced many graduates who have become leaders in business and other sectors of society. The Department and the College benefit from positive communication between this Department and external constituencies. (Objectives 1 and 7)

12. To strengthen international study and international internship opportunities for our students.

Rationale: Currently, we encourage all of our students, especially International Management majors, to take advantage of opportunities to study abroad, do foreign internships, and take travel courses. Now that Gustavus Adolphus College has signed an exchange agreement with United International College of China, we have some additional opportunities to offer our students. (Objective 3)

13. To maintain a variety of development opportunities appropriate for a professionally diverse faculty. We will implement this initiative with a seminar for faculty active in research (especially tenure-track) and Continuing Professional Education support for faculty with professional credentials (e. g. CPA).

Rationale: Even with a more competitive compensation plan for our department, it is likely that we will continue to hire Accounting faculty, and perhaps Management faculty, who do not have Ph.D. training. Their industry experience and/or professional certification will reflect a very valuable, though somewhat different, skill set than that typical for those who have completed Ph.D. programs. We need to work with our faculty, as well as with the Provost's Office and the Personnel Committee, to have commonly understood expectations of "scholarly and creative activity" for purposes of tenure and promotion. These expectations should be appropriate to one's discipline and professional training and experience. (Objectives 9 and 10)

14. To become more deliberate in hosting outside speakers and opportunities for student presentations.

Rationale: These activities will link students (and our programs) to "the real world" environment. It also connects this department to industry leaders who have an interest in our programs. Student presentations encourage the students to engage in individual research and develop their communications skills. (Objectives 1, 4, and 7)

3.2 Economics Major

1. To offer two additional courses each semester in Economic Analysis. We suggest a senior seminar and a Level 2 elective each semester. The topics for these courses could easily vary over time, based on faculty interest and expertise, as well as the prominence of the topic in public conversation and debate. The following topics are some current examples that would fit our mission and be of interest to our students. Some might be taught once per year, while others may be taught less frequently. Many of these electives will support a theme of *Economics and Strategic Decision-Making*.
 - The Economics of Strategy. (Sequenced with Managerial Economics.)
 - The Economics of Human Resources and Personnel Management. (Could also be of interest to Management Majors who have taken Human Resource Management.)
 - Sports Economics.
 - Law and Economics.
 - Health Economics. (Could fit into the *Economics Policy* theme)
 - Mathematical Economics.
 - Game Theory.
 - Risk Analysis and Insurance. (This also supports the Financial Analysis track in Economics.)

Additionally, we will develop other courses with an *Economic Policy* theme.

Examples of courses in this theme are listed below.

- Energy and Environmental Policy. (Economics of the Environment will be a prerequisite.)
- A Current Economic Problems course requiring econometric analysis of “live data.”
- A course in Urban and Regional Economics, or conversely, a course in Rural Economics, either of which might provide some nice opportunities to do some complementary things with the Geography department.
- Industrial Organization.
- Research Methods.
- Economic History (could also serve History Majors).

Rationale: Our Economics major offers a strong background in fundamentals, but when compared to our peer institutions we do not have a rich selection of policy electives. The addition of these courses will strengthen the Economics major by providing more opportunities to practice the skills presented in the basic core. The above courses will better prepare students for graduate school. By focusing on Economics and Strategic Decision-Making, we can also use these new courses to enrich the Management and Accounting Majors. This strategy is contingent on adding one or more full-time positions in economics. (Objectives 2, 4, 8)

2. To review and strengthen, as appropriate, the requirements of the Financial Analysis track in the Economics major. We will include feedback from employers and recent graduates (including those who have completed graduate programs) in this review.
Rationale: Most of the students in this track seek careers in the financial service industry. We need to make sure that our course offerings and degree requirements meet our students' career and postgraduate education needs. (Objectives 1 and 7)

3.3 Accounting Major

1. To offer a major that addresses licensure requirements of the Minnesota Board of Accountancy.
Rationale: Most of our accounting students work for CPA firms upon graduation. The Minnesota Board of Accountancy has specific education requirements for taking the CPA exam and receiving a CPA license. The Department has offered Accounting majors meeting these requirements for a long time. This strategy differentiates us from liberal arts colleges that do not offer all the courses required for taking the CPA exam. (Objectives 1 and 7)
2. To integrate our accounting courses with economics, management, and other disciplines on campus. We meet this strategy by designing linkages within our courses and requiring students to take relevant non-accounting courses as part of the major.
Rationale: Accounting regulators, business leaders, and accounting professionals all recognize the need for accountants to be well rounded individuals. This strategy takes advantage of the liberal arts environment of the College. (Objectives 2, 8 and 10)
3. To emphasize creative and critical thinking, problem solving, ethics, and communications skills in our courses. This program is not driven by the CPA exam—a model used by some institutions.
Rationale: These are important skills and attributes for all accounting professionals and business leaders. This strategy differentiates us from state universities that emphasize passing the CPA exam. The major goal of the Accounting major at Gustavus is to equip students with the skills to assume a broad array of leadership and service positions. (Objectives 1, 4, and 5)

3.4 Management Majors

1. To increase the focus on strategic decision making in our Management and International Management majors. We will pursue this by incorporating courses in the new *Economics and Strategic Decision Making* theme as electives in the Management majors. We will also review existing courses to make sure that students are explicitly taught how to extend their theoretical training to the process of strategic decision making.

Rationale: We currently offer two majors with required courses in Accounting, Organizational Behavior, Marketing, and Economics. Defining the focus as strategic decision-making gives a structure to these majors that will help students choose the electives most appropriate to their interests and help the Department choose which electives to offer as consistent with our overall mission. (Objectives 1 and 2)

2. To expand our offerings in quantitative management courses such as Production and Operations Management (POM), Management Information Systems (MIS), and possibly Quantitative Decision Making.

Rationale: We have offered POM and MIS in previous years, but we do not have a tenure-track Management Professor to take responsibility for these courses. We need to hire a Management Professor with skills in quantitative and information management skills to provide greater credibility to our Management and International Management majors. (Objective 2)

3. To make a concerted effort to develop relationships with businesses and organizations involved in international business to increase internships and career opportunities for our majors.

Rationale: This will enable students to better understand the career opportunities and requirements to be successful in the global economy. (Objectives 3 and 7)