***CBA Assessment of Learning Goal 3***

***(Final Cumulative Report for 2013 - 2014)***

Globalization and Diversity

PART 1 - Assessment Overview for Fall 2013 – Spring 2014

Learning Goal # 3:

Students completing the BSBA program will understand the impact of globalization and diversity in the business environment.

Corresponding Objectives:

Objective C: Students will consider global issues when solving business problems

Assessment Context (F ’13 – S’14):

In order to assess Objective C of Learning Goal # 3, a case dealing with business ethics in a globalization context was identified and administered to students. Student responses were graded based on a rubric designed for the purpose. Attachments A and B contain copies of the case and the rubric. The adopted case originated at the Makkula Applied Ethics Center at Santa Clara University. In the case, students had to apply different aspects of ethical decision making to a plant relocation scenario. Specifically, students had to decide whether to relocate a US based factory to Mexico, the Philippines or South Africa. This business case was selected to measure students’ ability to solve a business problem (plant relocation) tied to a globalization issue (ethical considerations of international business).

Four sections of MHR 318 (Organizational Behavior) were identified to administer the globalization case, two sections during the Fall 2013 quarter and another two sections during the Spring 2014 quarter. The number of students in the four sections was one hundred and fifty four (154). MHR 318 was selected as the best option for the globalization assessment because all College of Business Administration (CBA) students must take the course regardless of major. Students answered the case as of part of a midterm exam.

Students were instructed to read the ethics case and answer four questions (please read Attachment A). Each question related to a specific aspect of ethical decision making. In specific:

Question 1 – Recognition of a globalization ethical dilemma

Question 2 – Identification of relevant international stakeholders

Question 3 – Generation and justification of ethical alternatives in a globalization context.

Question 4 – Selection and justification of an ethical alternative in a globalization context

As Attachment B shows a rubric was also developed to grade and analyze student responses for each of the four questions. These responses were graded using a three points scale where:

1 = Unacceptable response

2 = Acceptable response

3 = Excellent response

Based on the scale above students could obtain a final score in a range of 4-12. Finally, the following range was used to assess students’ ethical decision making:

4-6 = Unacceptable

7-9 = Acceptable

10-12 = Excellent

Cumulative Assessment Matrix (F ’13 – S’14):

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| Cumulative Assessment Matrix (F ’13 – S’14) |
| Year / Quarter | Course and Number of Sections | Total # of students | ALCI benchmarks | Results (e.g., overall %) |
| Fall 2013 | MHR 318 (2 sections) | 76 | “Hurdle rate” – 7% of students above “hurdle rate” – 7 |  6.25 50% |
| Spring 2014 | MHR 318 (2 sections) | 78 | “Hurdle rate” – 7% of students above “hurdle rate” – 7 | 6.7569% |
| TOTALS | 4 sections of MHR 318 | 154 | “hurdle” 7 and 70% above the “hurdle”) | 6.559% |

Cumulative Assessment Summary (F’13 – S’14):

1) Specify in detail key curriculum improvement recommendations [a.k.a. “closing the loop” recommendations] to the Department (via ALCI) during the assessment cycle (F ’09 – S ’14)

Fall 2013 Recommendations:

1. I recommend that another assessment of ethical reasoning in a globalization context is made during the Spring 2014 quarter.
2. I also recommend that other business related concepts in addition to ethics be assessed. This will allow to evaluate if CBA students can apply other core business concepts (i.e. accounting, finance, information systems, etc.) to solve business problems in a globalization context.
3. I strongly recommend the development of a comprehensive module to teach ethics to all CBA students in a way that is consistent.
4. After students understand basic issues of ethics, then, teach them the complexities of applying ethical reasoning to solve business problems within a globalization context.

Spring 2014 Recommendations:

1. Implement the recommendations suggested in the Fall 2013 report.
2. Issues of globalization and international business need to be addressed in the business core.

2) Specify in detail the curriculum improvements IMPLEMENTED by the department during the assessment cycle (F ’13 – S ‘14)

None

3) Specify in detail the curriculum improvements UNDER THE CONSIDERATION in the department during the assessment cycle (F ’13 – S’14) for a possible implementation in the next assessment cycle

The MHR Department will discuss the possible inclusion of an ethics module as part of a future MHR 318 Expanded Course Outline (ECO). This is particularly important as we re-assess the MHR curriculum during the semester transition. The ethics module is an important first steps in order to teach CBA students ethics with a globalization context. If the CBA wants students to have a complex understanding of ethics within a globalization context, it is important that students are first introduced to basic ethics principles such as the nature of ethical dilemmas, social responsibility, etc. Once students are taught these basic principles, then, issues of ethics in a globalization context can be taught.

PART 2 - Cumulative Assessment Results for Fall 2013 – Spring 2014

Assessment Instrument

In order to assess Objective C of Learning Goal # 3, Dr. Carlos B. Gonzalez identified a case dealing with business ethics in a globalization context and administered it to students. Student responses were graded using an especially-developed rubric. Attachments A and B contain copies of the case and the rubric. The adopted case originated at the Makkula Applied Ethics Center at Santa Clara University. In the case, students had to apply different elements of ethical decision making to a plant relocation scenario. Specifically, students had to decide whether to relocate a US based factory to Mexico, the Philippines or South Africa. This business case was selected to measure students’ ability to solve a business problem (plant relocation) tied to a globalization issue (ethical considerations of international business).

Assessment Results

The two assessments of Objective C of Learning Goal # 3, show that CBA students do not demonstrate the ability to solve a business problem (plant relocation) tied to a globalization issue (ethical considerations of international business). Specifically, during the Fall 2013, the average score of 6.25 was below the standard of 7 determined by the College of Business as an “acceptable performance.” Moreover, only 50% of our students achieved a score of 7or higher, far below the 70% rate established by the CBA.

Similarly, the assessment performed during the Spring 2014 showed that CBA students do not demonstrate the ability to solve a business problem (plant relocation) tied to a globalization issue (ethical considerations of international business). The average score of 6.75% was below the standard of 7 determined by the College of Business as an “acceptable performance.” Moreover, only 69% of our students achieved a score of 7. However, these results are much closer to the 7 average score and 70% rate required by the CBA. Even though students were not presented with any intervention designed to deal with Objective C, their scores increased. I think the main reason for this improvement is that students took this assessment at the end of the Spring 2014. It is reasonable to expect that they had been exposed to elements of ethics during their fall and winter course work. Nevertheless, while there was improvement, the scores are still below the accepted benchmarks established by the CBA and the ALCI.

Summary of the cumulative assessment results

The assessments evidenced that College of Business of Business Administration students are not capable of competently considering global issues (ethics) when solving business a problem (plant relocation). In other words, students in both assessments failed to apply ethical considerations based on social responsibility and ethics to an international plant relocation. This a serious deficiency the CBA needs to addressed.

In 1991, Dr. Nancy Adler of McGill University, wrote a groundbreaking article titled “The Parochial Dinosaur: Organizational Science in a Global Context,” in the article she presented a scathing criticism of the practice of management education and research in the USA that ignores other cultural contexts around the planet and assumes American universalism. In a way, I believe that the core of the business core courses, can be described as parochial. That is, there is no place where our students consider the complex realities of a globalized business environment. I think this is a serious concern the CBA must address.

Overall Recommendations

Based on your analysis of the cumulative assessment results for ’13 – ’14, what are your recommendations to ALCI for:

* Future curriculum improvements –
	+ - Implement the ethics module Dr. Preeti Wadhwa is developing for MHR 318. Expand this module to include elements of ethics within a globalization context.
		- Elements of globalization and international business must be specifically addressed in the business core coursework.
* Future improvement in the process and procedures of the business core assessment – I have several recommendations:
	+ Assessment efforts should be directed by the faculty of the Department being assessed. Each academic department in the CBA has the expert knowledge necessary to assesses the achievement of their own pedagogical objectives. Therefore, they should be in charge of measuring learning objectives that follow within their discipline. If changes and suggestions are to be made to the curriculum of each department; the professional training and expertise of the assessment associate must be acknowledged by the faculty of the department being assessed.
	+ Assessment procedures should be part of the ECOs of each department. In other words, each department should be responsible for measuring the achievement of their own pedagogical goals and objectives on a regular basis. This includes the design of instruments, implementation of assessment, analysis, report writing, and more importantly, the implementation. The academic departments have the disciplinary knowledge necessary for this task. Moreover, they hold a key position to implement the assessment process. Also, this would make sure that assessment is not a stand alone process but is an integral component of the course development and review.
* Your recommendation on whether the learning goal / objectives you have assessed should be revised in the next assessment cycle. And if so, please specify a revised or new learning goal and/or revised / new objective(s)
	+ Learning Goal 3, Objective C, is an important learning objective that needs to be assessed again.

PART 3 – Cumulative Assessment Synopsis Fall 2013 – Spring 2014

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| Cumulative Assessment Synopsis Template and Content |
| Template | Content |
| ***Measurement of global issues of business:***a) Measurement instrumentb) Total # of students assessed for the 2009-2014 cyclec) Course number and the total number of sections assessedd) Year/terms of the assessment | ***Measurement of global issues of business:***Conceptual and analytical skills of the CBA undergraduate students were assessed as they solved a case. The case measured whether students could correctly apply ethical considerations to solve a business problem related to globalization. 154 students answered the case in four sections of MHR 318 during the Fall 2013 and Spring 2014 quarters. |
| ***Assessment Results:***e) Overall average % for the ’09 – ’14 assessment cyclef) Specify whether the average value in ( e ) is at, above, or below the ALCI benchmark. If below, explain why, if possible.g) Specify the % of students (and the sample size) above the ALCI benchmark. If the % is below the college’s benchmark, explain why, if possible. | ***Assessment Results:***Students in the fours sections earned the average score of 6.5, and only 59% of students were able to get score of 7 or higher. The results are below the college’s acceptable benchmark of 7average score and 70% rate of response. Please see recommendations section for ways to improve these scores.  |
| ***Action(s):***Specify actions that have been implemented by the department (or are currently under consideration by the department faculty) to improve student learning outcomes through curriculum change (i.e., “close the loop” curriculum enhancements)Specify enhancements (if any) to the assessment process based on the assessment results. | ***Action(s):***No actions have been implemented. Recommendations made during the Fall 2013 and Spring 2014 need to be implemented.  |

PART 4 – Appendix for the Cumulative Assessment Results of Fall 2009 – Spring 2014

Please include the following documents in the Appendix section of the report:

1) Appendix

2) Excel (and/or Word) files with your computation of the assessment results

3) Raw data (available upon request)

### Attachment A

### The Case of the Plant Relocation

Karen Musalo

Santa Clara University

Production costs are rising. Your company can make more money for shareholders by relocating your plants to a country with lower labor costs and fewer regulations. Using this case, Stan Raggio, senior vice president for sourcing and logistics at The Gap, and Karen Musalo, then director of the Markkula Center for Applied Ethics International Human Rights and Migration Project, discussed the ethical issues companies should consider at an Ethics Roundtable for Executives.

You are the chief executive of Electrocorp, an electronics company, which makes the onboard computer components for automobiles. In your production plants, complex hydrocarbon solvents are used to clean the chips and other parts that go into the computer components. Some of the solvents used are carcinogens and must be handled with extreme care. Until recently, all of your production plants were located in the United States. However, the cost of production has risen, causing profits to decline.

A number of factors have increased production costs. First, the union representing the workers in your plant waged a successful strike resulting in increased salary and benefits. The pay and benefits package for beginning employees is around $15/hour. A second factor has been stringent safety regulations. These safety procedures, which apply inside the plant, have been expensive in both time and money. Finally, environmental regulations have made Electrocorp's operations more costly. Electrocorp is required to put its waste through an expensive process before depositing it at a special disposal facility.

Shareholders have been complaining to you about the declining fortunes of the company. Many of Electrocorp's competitors have moved their operations to less-developed countries, where their operating costs are less than in the United States, and you have begun to consider whether to relocate a number of plants to offshore sites. Electrocorp is a major employer in each of the U.S. cities where it is located, and you know that a plant closure will cause economic dislocation in these communities. You know that the employees who will be laid off because of plant closures will have difficulty finding equivalent positions and that increased unemployment, with its attendant social costs, will result. However, you are aware of many other corporations, including your competitors, that have shut down their U.S. operations, and it is something that you are willing to consider.

You have hired a consultant, Martha Smith, to investigate the sites for possible plant relocation. Ms. Smith has years of experience working with companies that have moved their operations to less-developed countries to reduce their operating costs. Based on your own research, you have asked Ms. Smith to more fully investigate the possibility of operations in Mexico, the Philippines, and South Africa. A summary of her report and recommendation for each country follows:

**Mexico**

A number of border cities in Mexico would be cost-efficient relocation sites based on both labor, and health and safety/environmental factors. Workers in production plants comparable to Electrocorp's earn about $3 per day, which is the prevailing wage. There is frequent worker turnover because employees complain that they cannot live on $3/day, and they head north to work illegally in the United States. However, a ready supply of workers takes their place.

Mexican health and environmental laws are also favorable to production. Exposure to toxic chemicals in the workplace is permitted at higher levels than in the United States, allowing corporations to dispense to some degree with costly procedures and equipment. Mexico's environmental laws are less strict than those of the United States, and a solvent recovery system, used to reduce the toxicity of the waste before dumping, is not required.

The only identifiable business risk is possible bad publicity. The rate of birth defects has been high in many Mexican border towns where similar plants are in operation. Citizen health groups have begun protests, accusing the companies of contamination leading to illness.

**Philippines**

Conditions in the Philippines are more favorable than those in Mexico in terms of labor and health and safety/environmental factors.

The prevailing wage in the Philippines is about $1/day, and young workers (under 16) may be paid even less. As in Mexico, the workers complain that the rate of pay is not a living wage, but it is the present market rate.

The health and safety and environmental regulations are equivalent to those in Mexico, but there have been no public complaints or opposition regarding birth defects, cancers, or other illnesses.

**South Africa**

Conditions in South Africa are positive in some respects, but not as favorable in economic terms as in Mexico or the Philippines. The prevailing wage in South Africa is about $10/day. Furthermore, there is a strong union movement, meaning that there may be future demands for increases in wages and benefits.

The unions and the government have been working together on health and safety issues and environmental protections. Exposure to toxic chemicals in the workplace is not permitted at as high a level as in Mexico and the Philippines. Although the equipment necessary to reduce toxic chemicals to an acceptable level is not as costly as in the United States, this expense would not be incurred in the other two countries. Furthermore, there are requirements for a solvent recovery system, which also increases operation expenses.

After reading the case, please answer the following questions:

1. Describe and discuss the main issues that must be resolved.
2. Identify the different groups, individuals and/or entities that will be affected (and perhaps involved) by the decision. Please provide arguments as to how they are being affected.
3. Enumerate the different courses of action available and discuss their consequences.
4. Select one of the alternatives discussed in your response to Question 3 that you think will be the best course of action and implementation. Please explain your reasoning.

**Attachment B**

**Ethical Decision Making Rubric in a Globalization Context**

Date: Course: Student No:

Evaluator: Quarter:

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| --- | --- | --- | --- | --- |
|  | **UNACCEPTABLE (1)** | **ACCEPTABLE (2)** | **EXCELENT (3)** | **SCORE**  |
| **Identifies Ethical Dilemma**  | Students identifies the globalization ethical dilemma incorrectly  | Student identifies the global ethical dilemma correctly. However, the student does not provide sufficient arguments to support the finding  | Student describes the global ethical dilemma in detail and thoroughly identifies pertinent facts.  |  |
| **Considers stakeholders**  | Student is unsure as to who should be considered in the decision making and why. | Student identifies some of the people who will be affected by the decision and gives some justification. | Student thoroughly identifies the key stakeholders who should be considered in the decision making while providing a strong justification.  |  |
| **Analyzes Alternatives and Consequences**  | Student is incapable to generate defensible alternatives and/or those generated arevery limited and inadequately developed.  | Clarifies at least two alternatives while adequately discussing the consequences of each alternative for the stakeholders.  | Clarifies a number of alternatives and thoroughly explains the consequence of each alternative for stakeholders.  |  |
| **Chooses an Action**  | Student has difficulty or cannot identify an appropriate course of action from among alternatives  | Student identifies a course of action but cannot clearly articulate how to implement the decision.  | Student identifies a clear course of action and clearly formulates an implementation plan that evidences a thoughtful reflection of facts and alternatives. |  |

**SCORE: \_\_\_\_\_\_\_\_\_**

**Scoring Interpretation:**

4-6= Unacceptable

7-9=Acceptable

10-12= Excellent