

## Development of an MBA Program at Minot State University (North Dakota): A Model for Small Universities

Zafar U. Ahmed, PhD  
Earl J. Robinson, PhD

**ABSTRACT.** Small regional universities located in remote areas of the country sometimes find it hard to justify the establishment of a Masters program in Business Administration. Justifying the need of the program in isolated areas, resource constraints and dearth of support are some of the major hurdles for these institutions to overcome while defending their new proposals before their respective legislative bodies. Minot State University in North Dakota developed a model MBA program, which has the potential to be emulated by peer institutions across the country. *[Article copies available for a fee from The Haworth Document Delivery Service: 1-800-342-9678. E-mail address: [getinfo@haworth.com](mailto:getinfo@haworth.com)]*

### INTRODUCTION

MBA programs at colleges and universities across the United States (U.S.) have seemingly gone through a traditional product life cycle over the past 30 years. Although introduced much earlier than the 1960s, prior to that time MBA programs often lacked academic

---

Zafar U. Ahmed is Professor and Director of the Institute for International Business, College of Business, Minot State University, Minot, ND 58707. Earl J. Robinson is Executive Vice President for Academic Affairs at Briar Cliff College, Sioux City, IA 51104-2100.

Note: Earl J. Robinson was the Dean of the College of Business at Minot State University when this study was undertaken.

*Journal of Professional Services Marketing*, Vol. 15(1) 1996  
© 1996 by The Haworth Press, Inc. All rights reserved.

157

integrity and sometimes even respectability. However, improvements in the quality of business education helped to stimulate interest in business education and the MBA degree. During the 1970s, interest and enrollments in schools of business grew rapidly. It would seem that the MBA had progressed from the introductory stage into the growth stage at that time. During much of the 1980s, undergraduate business education enrollments peaked and eventually started to decline in the late 1980s as there was a severe reduction in the number of high school graduates interested in eventually obtaining the MBA degree. Although the numbers of MBA graduates remain at high levels at the present time, the decline in undergraduate enrollments is a likely precursor to the MBA having passed out of the maturity stage into the fourth and final decline stage.

Another indicator to the likely decline in the numbers of students seeking MBA degrees is a 16% decline in the number of those registering for graduate admissions tests in business administration (Jacobson 1993). Anticipating the likely decline in demand for the MBA degree and in response to criticism from both inside and outside the business community, some schools of business are revising their programs (Miller 1993, Liberante 1993). Such efforts are obvious attempts to improve the product and to extend the product life cycle.

It is highly unlikely that MBA programs will ever reach extinction. The needs of the business community for educated employees are too great. Furthermore, while the total numbers of MBA degrees granted in the U.S. may decline especially at large colleges and universities, corollary opportunities are being created for small regional institutions such as Minot State University in North Dakota that perhaps have never offered or considered offering an MBA degree before.

Among those opportunities are specific localities with pockets of demand such as in smaller or rural communities in which a university is located. As the military establishment continues to contract, career military personnel often seek classes leading to an MBA degree that might be obtained within driving distance from their bases. In addition, many people who may desire an MBA degree are geographically immobile because of family or employment consid-

erations. And finally, many larger schools offering the MBA degree refuse to accept part-time students. All of these situations provide opportunities for product extension strategies for MBA programs whereby the small universities might benefit from introducing new MBA programs.

### ***MINOT STATE UNIVERSITY'S MODEL PROGRAM***

One such school that is employing product extension strategies and progressing toward offering an MBA degree where none previously existed is Minot State University (MSU) in North Dakota.

The proposed MBA at the MSU there as a part-time graduate program is designed for those individuals whose career goals require a graduate degree in business administration for a variety of reasons. For instance, it will attract business executives at junior level positions who want to acquire an MBA to help advance in their careers. Moreover, Certified Public Accountants (CPAs), required to earn 150 semester credits for licensing in the foreseeable future in many states will prefer to pursue an MBA program after the completion of their Bachelor of Science in Accounting. Nonexistence of such an opportunity would discourage them from pursuing a BS in Accounting at a school not offering an MBA degree. Some seniors graduating with a Bachelor of Science in Business Administration will prefer to continue with an MBA program after the completion of their undergraduate degree in order to acquire higher qualifications in business to improve their prospects for better jobs.

A full-fledged MBA program is available only at the University of North Dakota (Grand Forks) and North Dakota State University (Fargo). These universities are 200 to 300 miles away from Western North Dakota, making it impossible for area-bound working adults to commute to these cities to pursue an MBA program.

The program will offer candidates the opportunity to broaden and deepen their knowledge, understanding, and appreciation of different facets of business administration. The primary aim of an MBA educational experience will be to provide a program that will develop effective business leaders who are comfortable in various business situations. The primary objective of the program will be to

prepare business executives who can function effectively in a challenging economic environment. Often difficult decisions must be made quickly with less than complete information and numerous seemingly contradicting forces. The MSU program will seek to educate students to perform under stress and acquire skills to motivate people.

One of the major goals of MSU's program will be to meet the educational needs of the residents of Western North Dakota, neighboring states such as Eastern Montana and Canadian provinces such as southern Saskatchewan and Manitoba. Our program will help produce those future business executives who will be needed to meet the human resource needs of the rapidly expanding economy of the Western region of the state. The course offerings within the program will address the issues of regional economic development and internationalization for Western North Dakota as emphasized by the state.

### ***PROGRAM REQUIREMENT***

The MBA program will consist of foundation and advanced components. The foundation component, sometimes referred to as the common body of knowledge, is designed primarily for the MBA student entering the program with a baccalaureate degree in a field other than business. This portion of the MBA program will consist of 30 undergraduate semester credits in business administration. The entering student with a baccalaureate in business may be prepared to enter directly into the advanced component consisting of another 30 semester hours of course work beyond the foundation program. Depending upon the student's academic preparation in business prior to admission in the MBA program, all or a portion of the foundation component may be waived at the discretion of the MBA Committee.

#### *Foundation Courses*

- |                         |           |
|-------------------------|-----------|
| 1. Quantitative Methods | 3 Credits |
| 2. Survey of Economics  | 3 Credits |

3. Survey of Financial Accounting	3 Credits
4. Legal Environment of Business	3 Credits
5. Managerial Communication	3 Credits
6. Management Information Systems	3 Credits
7. Principles of Management	3 Credits
8. Principles of Marketing	3 Credits
9. Principles of Finance	3 Credits
10. Production Management	3 Credits
<b>Total Foundation Credits</b>	<b>30 Credits</b>

All of these courses are already offered at MSU for our undergraduate students. Admitting SMA students into these courses will not cause any resource burden.

### *Advanced Courses*

The following thirty semester credits at the graduate level would be required to earn an MBA degree. Out of the 30 credits, 27 credits will consist of required courses and 3 credits will consist of electives.

1. MBA 551 Managerial Economics	3 Credits
2. MBA 552 Managerial Accounting	3 Credits
3. MBA 553 Organizational Behavior	3 Credits
4. MBA 554 Financial Management	3 Credits
5. MBA 555 Strategic Marketing	3 Credits
6. MBA 556 International Business Strategy	3 Credits
7. MBA 557 Advanced Business Statistics	3 Credits
8. MBA 558 Business Research Methods	3 Credits
9. MBA 559 Business Strategy	3 Credits
<b>Total Advanced Courses</b>	<b>27 Credits</b>

### *Electives*

A student will be required to select 3 credits from the following:

MBA 561 Rural Economic Development	3 Credits
MBA 562 International Strategic Management	3 Credits
MBA 563 International Marketing Management	3 Credits

MBA 564 International Financial Management	3 Credits
MBA 565 Information Systems Management	3 Credits
MBA 566 Organization Theory	3 Credits
MBA 567 Investment Analysis	3 Credits
MBA 568 Applied Accounting Theory	3 Credits
MBA 569 Advanced Auditing	3 Credits
MBA 570 Tax Research	3 Credits
MBA 592 Special Individual Topics	3 Credits
MBA 597 Independent Study	3 Credits
MBA 599 Graduate Research	3 Credits

Students will choose an elective appropriate to their career goals, education background and interests.

An MBA candidate will have the option to pursue graduate research of 3 semester credits in lieu of one course, with the approval of his/her advisor.

MSU first offered an undergraduate degree in business administration in 1951. Since that time the program has steadily grown with 398 majors currently enrolled in the department of business administration. With 398 majors it is the largest department on the MSU campus. MSU replaced the former Bachelor of Arts degree in Management with a Bachelor of Science in Business Administration program in November 1990 with concentrations in Management, Marketing, Finance, and Information Systems Management.

### ***STRUCTURAL SETTING OF THE PROGRAM***

The proposed MBA program will be offered by the College of Business at MSU. It is designed to interlink with the Departments of Business Administration, Accounting, Office Administration and Business Education within the College of Business and the Departments of Economics and Mathematics and Computer Science within the College of Arts and Sciences. An undergraduate version of most of the courses required under the foundation component are already offered by these departments for their undergraduate majors. New courses will be offered under the advanced component drawing upon the expertise of the doctorally and professionally qualified faculty in these departments. Collaboration among these

departments will provide a professionally sound, interdisciplinary and quality experience for the MBA students.

The curriculum of the proposed MBA program has been developed in accordance with the accreditation guidelines of the Association of Collegiate Business Schools and Programs (ACBSP) and the American Assembly of Collegiate Schools of Business (AACSB). The College of Business is a member of the AACSB and has applied for membership in ACBSP. The accreditation of the MBA program by either agency is not planned.

### **COMPARABLE REGIONAL PROGRAMS**

#### ***State-Wide***

Both the state's major universities in the Eastern Region, the University of North Dakota and North Dakota State University, offer MBA programs. These programs have limited appeal to the *part-time population* in the *northwestern region* of the state because of their long distances from northwestern North Dakota. No state supported university offers an MBA program in residence within the western region of the state.

As the MBA program grows, a reputation for excellence and program differentiation would be achieved by emphasizing rural economic development and international business. These issues are very important to the Minot community and region. Such an emphasis at the MBA level does not exist in North Dakota. The need for such an emphasis has already been demonstrated by the award of a \$2.4 million federal grant to the MSU to undertake research on the problems of rural communities in the region. The proposed MBA emphasis would strengthen such efforts. The proximity of Minot to the Canadian international border in the context of the North American Free Trade Agreement (NAFTA), the Institute for International Business, in addition to the proposed major in International Business (the latter two are being funded by a federal grant) underscore the importance of the international emphasis at the MBA level.

### ***In Region***

Central Michigan University and Embry-Riddle Aeronautical University offer graduate programs in related fields at Minot Air Force Base for the base personnel. The Michigan master's is in Human Resources Management and Embry-Riddle's program is in Aviation Management. Neither program meets the needs of the business professionals and regional corporations in Western North Dakota for a comprehensive graduate degree in business administration.

### ***POTENTIAL TARGET MARKETS (CONSUMERS)***

About 1,000 residents of western North Dakota including business executives, business administration seniors, and alumni/ae of MSU and personnel holding undergraduate degrees at Minot Air Force Base were surveyed to ascertain their interest in the proposed MBA program. A total of 374 people responded to the survey. Three hundred forty-two respondents (91.9%) have expressed interest in pursuing an MBA program at MSU.

During November, 1992 the authors conducted a survey of area residents to measure the need for an MBA program at MSU. The statistics bear out a clear public mandate: MSU should provide the people of Western and Central North Dakota access to an MBA program.

The surveys respondents were 29.1% on campus, 9.9% air base, and 61.0% off campus. Almost half (44.8%) were either managers or other white-collar workers. Another 11% were employed by the military and 10.4% were students.

Eighty two percent (82%) of all respondents held a bachelors degree and 69.6% of all respondents had degrees in Business, 21.2% the Arts. The mean age of the respondents was 33.5 years old. The respondents consisted of 58.7% male and 41.3% were female.

The first question on the questionnaire asked the respondents whether or not there was a need for an MBA in western North Dakota. The need for a MBA program was proven by the 91.9%

agreement for an MBA degree out of all the respondents. Only 2.4% thought there was no need. When asked if they would personally be interested in pursuing an MBA at Minot State University, 68.8% indicated they were interested. This translates into 255 prospective students from the sample of 374; when considered in the context of the population of the entire Minot area, it is evident there is substantial demand to support the program.

Over a third (34.9%) of the survey respondents indicated they were willing to subsidize graduate tuition for their subordinates. 39.3% stated that they would get some tuition assistance from their employers if they were to enroll in an MBA program at MSU.

When confronted with the issue of where and how the respondents wanted to attend classes, 97.8% would like to see instruction offered on campus by instructors. Of the respondents, 81.3% would like to see evening classes offered during the academic year, 41.8% were interested in daytime classes with 34.2% showing interest in weekend classes during the academic year. Summer evenings were indicated as acceptable by 30.2% of the respondents while 20.7% were interested in summer days.

The issue of why the respondents want an MBA was also addressed by the survey: 80.1% felt that an MBA would offer them better job opportunities, 55.9% stated it would enhance job advancement, 59.3% thought they could get higher pay, and 60.1% felt that it would improve their mobility. The results suggest that MSU ought to enlarge its graduate business mission. There is strong support for that enlargement to be in the form of an MBA program. The continuation of MSU's mission of serving the people of North Dakota would seem to dictate the implementation of an MBA program.

The proposed MBA program would address the growing need for post-baccalaureate education in business in Western North Dakota. Such a need has long existed in the region. It has assumed enhanced significance in contemporary times because of the importance the state has placed upon economic development in the Western Region.

Since the proposed MBA program would be open to all undergraduates irrespective of their undergraduate majors, it would meet the needs of professionals specializing in the arts, humanities, and sciences to obtain the necessary business skills required for career

advancements in their professional business lives. The primary market for the MBA program would include the professionals working in the firms and institutions in Western North Dakota, Eastern Montana, and Southern Saskatchewan and Manitoba. Moreover, considerable interest in the MBA program has been expressed by officers at Minot Air Force Base as the new era in which the world is emerging has impressed upon them the need to prepare for post-Air Force careers.

Presently across the country, the accounting profession has been undergoing a revolutionary change. The new North Dakota licensing requirements for the CPA implemented in 1995 will require accounting students to take 150 semester credits instead of the former 120 credits for certification and licensing. The proposed MBA program would offer MSU undergraduate accounting majors the opportunity to apply these additional credits toward earning an MBA degree, thus making them better prepared and more competitive in the ever changing employment market. A significant number of accounting programs in other states are also moving in this direction.

### ***CAREER OPPORTUNITIES***

The proposed MBA program will enhance the job prospects of the MSU students locally, regionally and nationally. A partnership will be established with the business corporations of the region and state to assist MSU in the delivery of the proposed program by volunteering their executives as faculty for one or more semesters. Such a partnership will also assist these corporations in selecting MBA graduates for employment.

Business executives, corporations based in the western region of the state, the Minot Chamber of Commerce, and the City of Minot have demonstrated a strong interest in supporting the establishment of an MBA program at MSU.

The economic development of Western North Dakota has been chosen by the state government as a major goal for the remainder of the current decade and beyond the year 2000. Such a development will necessitate business professionals to effectively manage their businesses, many of which will be established in the western region

as a result of such governmental efforts. MSU will help prepare the skilled human resources necessary to meet the needs of the businesses of the western region of the state.

The shortage of qualified business executives (holding graduate degrees in business administration) has hampered the efforts of business corporations based in the western region of North Dakota to grow and prosper in the highly competitive environment of the 1990s. By meeting this need, MSU will act as a partner in the economic growth and development of the Western region of the state.

### CONCLUSION

The small universities in either remote or rural areas could replicate MSU's model program in their own respective regions. Identifying those potential student segments and aggregating them into a viable market and then applying life cycle extension strategies to meet the demand will prove to be beneficial to the small universities, students whose educational needs would otherwise be unmet, and would provide well educated business professional to improve the economic climate throughout the nation.

MSU has succeeded in segmenting its markets, has sought their opinions and expectations in advance, designed a program that meets those expectations, and is moving ahead to offer the program to the citizens of North Dakota.

### REFERENCES

1. Jacobson, Robert L. (1993), "Shaking Up the MBA," *The Chronicle of Higher Education*, Dec. 15, p. A18.
2. Miller, Cyndee (1993), "MBA programs revised to meet leaner demands of business," *Marketing News*, Vol. 27, No. 15, July 19, pp. 1, 6.
3. Liberante, Carrie A. (1993), "Area MBA curriculums are changing," *Buffalo News*, July 11, pp. B16, B23.