

Managerial Accounting Integration through Collaborative Teaching: The Case of an International Hotel Strategic Plan

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EXECUTIVE SUMMARY

This paper describes the challenges involved in teaching hospitality management students to develop an international strategic plan for establishing a hotel in a foreign country. The uniqueness of this pedagogical study is that it shows the importance of integrating managerial accounting concepts in developing a strategic plan. A practice-oriented simulation was utilized in an MBA global strategy course at an international hospitality institute located in Switzerland. Students from various cultures gained experience from working in functional teams such as general management, marketing, accounting and finance, operations, human resources, and legal and public relations while focusing on a common goal. Another aspect of this study is that it documents the exploration of co-teaching a course by faculty with different areas of expertise.

Keywords: Managerial accounting, Hospitality industry, International strategic plan, Co-teaching, Power Distance

OVERVIEW

This article discusses the trial and subsequent assessment of co-teaching global strategic planning; namely developing a plan for establishing a hotel in a foreign country in the MBA capstone global strategy course offered to a multinational student body at a hospitality institute in Switzerland. One of the purposes of this exercise was to help students realize the importance of managerial accounting concepts in strategic decision making and the integration of these concepts into other functional areas such as marketing, human resources, operations, and general management, specifically for the hospitality industry. Current literature regarding management education and training emphasizes flexibility, critical thinking, analytical interpretations of volumes of data, and adaptability to complex and challenging environments. Sharpening these skills while working in diverse teams toward a common goal is critical for successful strategy. In the study, four student teams were formed from a pool of forty-six MBA students; each group was divided into sub-groups by functional departments. Two faculty members, one with expertise in the hospitality industry and one with an international management and accounting background, shared the teaching over a nine-week period. The facilitation of the development of a strategic plan was the focus of the final week of the course, in an intensive format. Results and feedback from students regarding the experience is presented later. Opportunities for further improvements in the pedagogical method and future research are identified.

The paper is divided into eight sections: 1) learning objectives, 2) literature review, 3) history and evolution of the hotel strategic plan, 4) implementation of the plan in the classroom, 5) results and feedback from students, 6) discussion, 7) lessons learned, and 8) conclusion and implications for future improvements and research. The paper is not written to provide a detailed lesson plan on the integration of accounting concepts into a strategic plan, but it illustrates one attempt to integrate managerial accounting into other areas of a plan. The references section lists textbooks that may help in the discourse of these concepts.

LEARNING OBJECTIVES

The learning objectives of were for students to experience the importance of:

1. collaboration and synergy between various areas of expertise in developing a global strategic plan for a hotel;
2. integration of managerial accounting and finance concepts to other functional areas of a strategic plan;
3. practical choices made in international business because of cultural, socio-political and economic differences; and
4. challenges of globalization for the hospitality industry, specifically for entering foreign markets.

LITERATURE REVIEW

The design of this pedagogical study was based on two main themes. The first theme is the retooling of the much criticized traditional business pedagogy, i.e., a silo mentality or too much emphasis on stand-alone disciplines (Horsley, 2009). Reacting to such criticism, business schools have begun experimenting with courses or even whole new programs that simulate the real world. In the past decade, a handful of pedagogical articles have discussed the results of such studies. One involved integrating students and programs across schools such as graphic design and marketing (Johansen, Scaff, & Hargis, 2009) and another between the schools of nursing and business (Sanner & Deis, 2009). There have been studies that integrated a project management course with a real family-owned firm (Haretneian, Schelenger, & Fredrickson, 2001), and those that put students from Master of Science in Accounting and MBA programs in collaboration (Kruck & Teer, 2009).

With the ever-expanding world of information, we must foster lifelong learning skills in students (Speck, 2002; Sibley & Dean, 2008). The focus of this project is innovation in an academic setting that blends the fields of business such as managerial accounting, marketing, finance, human resources, and legal and public relations. Technological advancements, specialized expertise, and shorter product life cycles have called for simultaneous work on related tasks to be coordinated and negotiated. This collaborative environment aims to create the highest quality product in the shortest time, and such effort requires significant organization and teamwork. Organization and team leadership need to foster a climate that allows for openness, risk taking, effective communication and conflict resolution in an environment that feels safe (Edmondson & Nemhard, 2009). New business innovations and ventures need entrepreneurial thought, action, leadership, and team building (Boni et al., 2009).

In the context of hospitality management education, the new challenge facing the area is in developing a comprehensive international curriculum. Some of the main criticisms of such programs are an insufficient emphasis on problem solving, a lack of integration across functional areas and the international dimension of business, and too much attention to quantitative analytical techniques (Porter & McKibbon, 1988). Lewis (1993) condemned faculty for not responding to the evolving needs of the industry and for following too narrow or specialized models for their curriculum development. Jayawardena (2001) suggested that international hospitality educators use one another's research and experience to enrich the curricula. She asked faculty to focus on practical research activities that are relevant to industry problems and offer solutions that will be useful to graduates in the real world.

Based on this theme, the current literature appears to point toward the recognized need for innovative curriculum in management education, including the hospitality industry, stressing upon honing skills for succeeding in a dynamic, diverse, and uncertain global environment. To cite an example of a primary research study with hotel managers at various levels, Mia & Patiar (2001) found that general managers at the upper levels placed more emphasis on financial plans and usage of management accounting systems than department managers. This study pointed out the necessity for the integration of financial and non-financial information for performance evaluations and other pertinent business decisions. The findings of this study may offer an opportunity for business educators to include practical projects that could help students see the connection and integration between financial and non-financial information in strategic plans. Learning in the classroom could result in future managers equipped with not only analytical tools, but the application and integration of these tools to everyday decision making, especially in an international environment.

The second theme of this paper is the growing need for effective use of collaboration and synergy for global business success. The whole is greater than the sum of the independent parts. Creative people are often thought of as individuals

working alone, however, interacting and collaborating with others has become critical (Fischer, 2005). “Learning to collaborate by collaborating” is evolving, requires support to be successful (Cortez et al., 2009). Inadequate support can cause collaborating partners to fail in completion of the joint task (Rummel & Spada, 2005). Educational institutions and other knowledge-generating communities are taking opportunities to collaborate as instructors, as well as guiding students through collaborations. These efforts are building new and innovative frameworks for teaching and learning. Education is quickly evolving from the traditional approach of presenting instruction to that of facilitating learning (Elam & Spotts, 2004; Kezar, 2005).

Recent pedagogical studies have found that the use of unstructured learning approaches engage students at a deeper level. Problem-based learning (PBL) is a pedagogical approach that uses complex situations or scenarios to engage students in seeking solutions to problems (Edens, 2002; Major & Palmer, 2001). PBL is compatible with collaborative learning (Johnson, Johnson, & Smith, 1991; Stage, Muller, Kinzie, & Simmons, 1998). In collaborative learning projects, student work in groups to create a plan, construct a model, write a paper, or produce some other product – all requiring problem solving skills. PBL and collaborative learning redefine the role of the professor and the students in the classroom (Speck, 2003). Many colleges and universities are challenging the traditional course model. For example, at Worcester Polytechnic Institute, administrators run seven-week immersion projects with no lecture component, in which students work in teams on projects that benefit nonprofit organizations. This approach appears to be a direction of the future (Young, 2011).

In addition to student collaboration in the classroom, Vance (2008) strongly recommends faculty from different fields collaborate for various reasons including examining one’s own field from a fresh perspective and gaining new knowledge with relevant examples and models for students. Therefore, literature support exists for new pedagogy involving collaboration among faculty across disciplines.

Hazen and Higby (2005) describe their experiences in co-teaching an interdisciplinary MBA issue-based course in diversity management and marketing over five summers. They list trust among the involved faculty members in co-teaching as one of the important factors. Administrative support for co-teaching, students’ graduate-level skills, and reflective dialogue among faculty and students were also essential for a successful learning experience. In another study by Ducoffe et al. (2006), the authors implemented interdisciplinary and integrated elements in team-taught undergraduate courses with input from both students and alumni. Students evaluated the course more positively when the course was more integrated. These authors also speak of the scarcity of human and financial resources for designing an effective team-taught fully integrated program. They invited more research on analyzing costs and benefits of interdisciplinary team-teaching in undergraduate courses.

At the top ranking University of Virginia’s business school, junior-level students are experiencing integrated, team-taught, and interdisciplinary courses with as many as three instructors in the same classroom for an entire year. Professors with expertise in strategic management, accounting, and communication are simultaneously present in the classroom as students synthesize case studies. They have the advantage of pulling from the various areas of expertise as needed. Students are also evaluated twice: for content by the respective professor with the relevant specialization, and for writing skills by a communication professor (Glenn, 2011). A national survey reveals that employers are looking to hire graduates with excellent writing, creative thinking, and analytical skills and who can work with people with diverse backgrounds. Glenn (2011), however, is quick to point out that availability of corporate sponsorships and an abundance of other funding makes it possible for University of Virginia to offer such integrated courses. The funding constraint is an obstacle that is not, if not almost, impossible to overcome.

Set against this backdrop, the need for more pedagogical research on interdisciplinary, collaborative simulated projects in business school classrooms is unquestionable. The current uncertain and evolving global business environment warrants more attention from educators on designing complex and open-ended projects for students. This paper describes an exploration by two business faculty members teaching a graduate level hospitality industry course, with four goals: 1) teaching students how to integrate financial (managerial accounting concepts) and non-financial information that impact various functional areas in developing a global strategic plan for a hotel in a foreign country; 2) exploring an opportunity to work with students from different cultures; 3) demonstrating how separate functional areas such as marketing, accounting, finance, operations, and human resources can work toward one common goal; and 4) considering the impact of team teaching (co-teaching) by the two faculty on student learning and perceptions.

HISTORY AND EVOLUTION OVER NINE YEARS

One of the authors developed and began teaching a global management course to a multinational body of MBA students at a hospitality institute in Switzerland from the initiation of the program in 2003. She served as a visiting faculty from the United States. From 2003 to 2009, the course reflected graduate level instruction in international business. Students were required to review relevant articles and cases that were assigned in conjunction with a global business textbook. In addition, an international business plan for a hypothetical hotel was required as a culminating project. The program began with a cohort of 14 students. The cohort took the MBA courses one at a time, with a majority of the courses designed and delivered in one to two-week intensive formats. The global management course was offered toward the end of the one-year MBA program as it required prerequisite knowledge in marketing, finance, basic accounting, human resources, and operations. The course built on this knowledge base and focused on the differences and nuances of doing business internationally. The student population grew from 14 in 2003 to over 40 in 2009. One advantage of the cohort format was that by the time the global management course was offered, the students were familiar with one another. The intensive format of the course made it necessary for the students to be familiar with one another for the group work to be effective.

From student reflections collected from 2003-2009, though anecdotal, two primary positive comments were revealed. Students appreciated the opportunity to understand the complexity of developing an international business plan for establishing a hotel even though the choices they made were hypothetical in nature. The cultural, economic, and socio-political differences that impacted their decisions gave them insight into how complex the real world can be. They also appreciated the opportunity to make connections between the various functional departments and to see the role each played in a business plan. One recurring criticism was the lack of time because of the intensive format. They repeatedly mentioned that one week was simply not enough time to absorb the material. They wanted to do a more thorough job researching the various aspects of the plan, especially since it involved foreign countries.

Reacting to student evaluations and the current strategic business environment, beginning in 2010, the curriculum was revised and the course was rewritten as a global strategy course rather than an overview of global business. In addition, the student body grew to 45 by 2010. During that year, the visiting faculty conducted one week of instruction on-line prior to arriving at Switzerland. During this first week, students were provided with summary power point slides, copies of articles, and case studies. Students had to prepare and read ahead in preparation for the face to face week of instruction. During this second week, discussions and lectures were presented for two full intensive days. By the second day, students had to form groups and begin the culminating project. Although strategy was the focus, an in depth strategic plan was still not possible in such a short time. Students asked for more time for project preparation and less time on lectures. Although student evaluations were generally positive, it was clear that such an intensive format with only one faculty did not create the most effective learning environment. The course design and logistics needed adjustments. Based on this experience and feedback, the planning for 2011 began at the end of the 2010 course between the visiting faculty and the MBA program director, also a resident faculty with academic and practical expertise in international management in the hotel industry. Implementation of the 2011 course changes are discussed next.

IMPLEMENTATION OF THE REVISED COURSE AND PROJECT IN 2011

The initial planning for the 2011 course began while the visiting faculty was still in Switzerland. Conversations with the program director/resident faculty revealed that combining their individual teaching approaches may be an effective pedagogical strategy for offering the course in 2011. As was mentioned earlier, the resident faculty had expertise and practical experience in the hospitality industry, and the visiting faculty's academic background included international trade and management along with accounting. The two faculty members decided to try co-teaching the course: the resident faculty would teach global business theories and paradigms with selected case studies over eight weeks beginning in January. The visiting faculty would be responsible for facilitating the strategic business plan for a hotel in a foreign country. She could be present in the classroom for only one week at the end of the course term. The dean of the graduate school at the institute approved the co-teaching plan and the funding necessary to pay two faculty members. Forty-six international MBA students were enrolled in the course in 2011. A summary of the students' country origins which have been regrouped into clusters is

depicted in Table 1 below. The clusters are formed with countries that portray cultural similarities as suggested by House et al. (2004) and Hofstede (1991) from their extensive research on cultural differences.

TABLE 1
(See Endnotes for Definitions of Clusters) Pd = Power Distance

Total = 46 (100%)	Southern Asia Cluster PD>50	China PD>50	Latin Europe Cluster PD>50	Eastern Europe Cluster PD>50	Arabic Cluster PD>50	Germanic Europe Cluster PD<50	Anglo Cluster PD<50
Number	14	9	6	8	2	5	2
%	30%	20%	13%	18%	4%	11%	4%
High/LowPD	High PD>50 39 (85%)					Low PD<50 7 (15%)	

As mentioned before, literature suggests that for co-teaching to be successful, two of the most important ingredients are trust and familiarity among the partnering faculty. The long-term professional relationship (eight years) between the two faculty members, and a mutual respect for one another’s expertise were sufficient indicators of the course’s potential for success. The visiting faculty shared her notes, articles, case studies, and power point slides with the resident faculty to be uploaded on a web-based platform which was accessible to students. In the process of planning, the two-partner team also discovered an untapped but essential need, i.e., making students understand the utility of accounting concepts for a strategic plan. It is common knowledge among business educators how students (particularly non-accounting majors) tend to shy away from accounting concepts. This project seemed like a good opportunity to help students conquer their fear of accounting. Therefore, managerial accounting concepts such as cost-volume-profit analysis, pro-forma income statements for three years, and using the Hubbart formula (see Endnotes) for estimating the average daily rate for a new hotel were incorporated into the requirements of the plan. The assumption was made that students had already completed an accounting and a finance course much earlier in the program, and that these concepts would have been introduced in those courses. However, some time for review and reinforcement in the capstone course was allocated in the lesson plan.

The intent of the strategic plan project was to have students representing separate departments (marketing, human resources, operations, legal and public relations) submit a budgeted cost estimate to students representing accounting/finance, who would then provide feedback on that estimate. The cost estimate would have to be appropriate for the level of hotel assumed in the project, the country of choice, legal requirements for the country, and other pertinent decisions. Students were to identify and relate each strategic decision to Porter’s (1980) five forces for competitiveness framework (see Endnotes). A copy of the detailed guide for the project can be found in Exhibit 1.

Applying managerial accounting to hospitality: The desired learning objective was not for students to think that accounting concepts are the most important, but that accounting provides useful tools that greatly contribute to strategic decision making for all functional areas. For example, applications of managerial accounting are appropriate in two specific areas of hospitality accounting. First, the cost estimates for each department (classified into fixed and variable) are used in cost-volume-profit analysis, so that the number of rooms needed to break even can be calculated. Second, the Hubbart formula (see Exhibit 1) can be used in a bottom-up approach to find the average daily rate required to meet desired return on investment by the investors and the owners of a hotel.

The first eight weeks: The teaching method for the first eight weeks of the course consisted of required readings from the global strategic management textbook, lectures and case study discussions on strategic management, including business and corporate level strategy. During this period, the resident faculty introduced the group project guide (see Exhibit 1) to the students and instructed them to think how the theoretical concepts learned may be applied to the group project that would be focused on during the final ninth week.

Group formation: The two faculty members wanted to give the students the opportunity to choose their group members for the project. During the fifth week, when students were asked to form four groups of 11 or 12 to work on their own, the first

group formed immediately with 10 females and 2 male students of diverse nationalities. The second group consisted of only one female student out of 12. The third group had an even distribution of males and females from various national origins. The remaining fourth group was composed of eight Chinese and two Thai students. At this stage, the fourth group complained that the group formation process was not fair and that they perceived their group to be weaker than the others. After a class debate about the possibility of reassigning group membership randomly, the class collectively decided to keep the original group formation and a French student took the initiative to lead the fourth group. It was difficult for the visiting faculty member to participate in this process from a distance and she trusted the other faculty member's judgment in facilitating group formation.

The ninth week: The group project guide (see Exhibit 1) was posted on a web-based platform accessible to all students four weeks prior to the face-to-face week with the visiting faculty. Although students were encouraged to ask questions on-line, none did. The resident faculty was able to field certain basic questions, and the communication channel between the two faculty members remained open and active during the entire nine-week period.

The first day was spent explaining the project requirements for the four large student groups and for each individual department within the four groups. The uniqueness of this year's project was that two groups had to choose one country and the other two groups a different country. This was designed to encourage competition among each of the two groups. The type of hotel picked by each group was shared among all. The groups selected the two countries (China & Brazil) after much deliberation. Brazil was selected because of the upcoming opportunity from the 2014 Commonwealth games and the future Olympics, while China (Shanghai) was selected because of its current and predicted economic growth.

At this point, the faculty member realized that students were not sufficiently familiar with the Hubbart formula and the Uniform System of Accounts for the Lodging Industry (USALI) format for the income statement (see Endnotes and Exhibit 1) as assumed earlier. Perhaps the coverage of these concepts in the earlier accounting course was not sufficient, or the students did not retain the knowledge. Therefore, the scheduled class time on the second day was spent explaining these concepts and how to apply those to the project. It became clear that the accounting/finance departments of all four groups would need more help.

By the third day, all departments provided a cost estimate (as required) except for the group consisting entirely of Southeast Asian students led by the French student (referred to as Group Four). Group Four showed signs of high power distance and uncertainty (Hofstede, 1991). Both Hofstede (1991) and the GLOBE study (House et al., 2004) found that individuals from Southeast Asian cultures revered the boss-subordinate relationship, wanted to follow orders, and preferred clear instructions in order to avoid uncertainty. The group leader seemed to be responsible for doing all of the accounting and finance integration. The remainder of the group members appeared to concentrate on their sub-functions without showing much concern for the impact of their decisions on the pro-forma income statements.

Once the countries were chosen and the groups were apprised of each other's choices of the level of hotel or resort, each group worked separately. The faculty member was a true facilitator at this point, and did not run the course with a lecture format, as intended. She was available to each student throughout the day and whenever specific questions arose. The faculty member provided assistance on how to address issues or how to solve problems rather than simply answering questions. Often, answers were not straightforward, emphasizing the complexity of global business. Students also recognized the importance of 'being there' instead of just performing on-line research, a concept stressed in the classroom. The other faculty member also made himself available to the students throughout this portion of the course. Except for Group Four, no other group requested assistance from him.

RESULTS AND FEEDBACK FROM STUDENTS

The completed projects: On the fifth day, students submitted their completed strategic plans and presented their findings to the whole class. It was clear at this point that the two groups who chose Brazil as their target country produced better plans than those who chose China. One group chose to create their own resort and the other chose to establish a name brand hotel, each in different cities. The group creating their own resort was most innovative and did an excellent job in integrating managerial accounting concepts into their decision making. They even researched and identified actual names and bios of potential investors. The group that chose to establish a branch of a name brand hotel had access to the company's financial

statements and information on the establishment of other branches. This group began their planning on a grand scale, but then trimmed their plan down to a more reasonable level once the pro-forma statements and the Hubbart formula were applied. Both of these groups appeared to work well together and integrate all functions including the accounting concepts well despite being constrained by data only available through databases and the internet.

As mentioned before, the other two groups chose Shanghai, China, as their destination city. Both chose established name brand hotels. In comparison, these two groups' plans were not as innovative, comprehensive, and integrated as the two discussed above. The group consisting of Southeast Asians (mostly Chinese) with a French leader was the weakest performer. It is likely that the homogeneity of this group actually worked to its disadvantage.

Student feedback: As part of their group assignment, each student was asked to complete a reflective report covering his/her learning experience. In particular, they were asked to express their opinions on (1) what they liked best, (2) what they disliked most, (3) how the opportunity for such a project might help their future career, (4) what they thought of the experience of working with a large group with varied interests and backgrounds, (5) their understanding of the importance of each hotel function and how the accounting function is relevant, (6) the collaboration among the professors, and finally (7) the changes they would like to see in the future. Highlights from students' comments are presented in Table 2.

TABLE 2
Highlights of Students' Feedback

1. What did you like best about the group project?	
Most common response	Other responses
<ul style="list-style-type: none"> • Collaboration among several departments consisting of individuals from various backgrounds and cultures working towards the same goal • The integration of concepts learned in previous courses into a real project 	<ul style="list-style-type: none"> • The tight deadlines and the time pressure that replicated the business world • The creativity challenge
2. What did you like the least about the group project?	
<ul style="list-style-type: none"> • Lack of time • Insufficient financial background 	<ul style="list-style-type: none"> • Large group size • Difficult for departments to work toward one goal
3. How do you think completing this global strategy project will help you in the real world?	
<ul style="list-style-type: none"> • Develop creative thinking, need for extensive research for establishing an international business • Helped identify global competition, and the challenges of international management 	<ul style="list-style-type: none"> • Perceive the importance and dependence of each department • Understand the financial and operational perspective of each department
4. What did you learn in working in a large group consisting of people with varied interests?	
<ul style="list-style-type: none"> • The value of negotiation , communication skills 	<ul style="list-style-type: none"> • The importance of effective leadership skills
5. Did the project help you understand the importance of each function in establishing a hotel such as marketing, operations, HR, legal/PR? Did you gain a better understanding how managerial accounting/finance concepts tie to or interact with the other functions?	
<ul style="list-style-type: none"> • Gained a clearer understanding of each department's role and mission and link to the whole organization 	<ul style="list-style-type: none"> • Importance of budget estimates to each function; Ability to better grasp application of accounting to project
6. What did you think of the collaboration of two professors in informing theories and frameworks of global strategy and applying to practical decisions in the project?	
<ul style="list-style-type: none"> • Positive: diverse learning environment, complementary perspective from two different experts 	<ul style="list-style-type: none"> • Negative: lack of communication and collaboration among the professors; difficulty to connect the two parts
7. What would you like to see change in a future project similar to this one?	
<ul style="list-style-type: none"> • More time, more detailed guide and templates, group formation to be done by professors 	<ul style="list-style-type: none"> • The course should be the capstone course of the program

DISCUSSION

Feedback shows that generally students appreciated the challenge of working in large groups and being in charge of a department, working under a tight schedule, and being able to integrate the theories learned in several disciplines, as it gave them a sense of accomplishment and self-realization. Such a project offered them a glimpse of what their future careers as managers and leaders may involve. At the same time, they expressed that they did not have enough time to complete a project that in real life would take much longer to accomplish. Some students found the lack of direction and the uncertainty of the task difficult to overcome (this observation is expanded upon later in this section). A number of students also regretted their lack of preparation in hospitality operations, accounting and finance.

From the comments, it appeared that the exercise opened the minds of the students to the reality of the complexity of global business. They also discovered their own strengths and weaknesses while developing a number of personal skills, such as creativity, coordination, decision making, and problem solving.

Students also recognized the benefits derived from collaborative learning; however, they encountered difficulty in coordinating because of the large group size, cultural diversity, and the differing opinions among individual group members. They were unanimous in their conclusion that the effective leadership of one designated member was the key to fostering creativity, fluid communication, and successful collaboration among team members.

Most students, especially those having limited business experience, recognized the necessity of departmental interdependence for the development and implementation of a strategic plan. Students with more prior work experience better appreciated the importance of managerial accounting/finance in weighing the feasibility and profitability of the project.

While student feedback shows that collaboration among two faculty members enriched their learning experience, many were not able to fully appreciate the respective roles of the two professors. Because the course was designed in two parts, one professor being responsible for teaching the theory and the other for supervising the applied group project, they did not naturally link the two together. Responses revealed a misunderstanding on the students' part regarding the role of each faculty member. The primary purpose of this exercise was to offer students a practice simulation emphasizing the complexity and uncertainty that exist in the real world, and the importance of teamwork and integration among the various functions of an enterprise. Although students seemed to prefer a more structured or traditional pedagogy, the authors believe that the overall quality of the completed projects reflected how much can be accomplished without such structured instruction, and with cooperative co-teaching.

The authors would like to expand upon an interesting observation made regarding group characteristics. A majority of the students (85%), based on their countries of origin (see Table 1), came from cultures considered to exhibit high power distance (>50) according to Hofstede's scale. This may help to provide an explanation for student complaints about not having step-by-step direction from the instructor. In addition, the visiting faculty conveyed to students that their prior practical experience in the hospitality industry would complement the accounting instruction and expertise provided by her. The faculty member was able to inspire students to be productive and creative when she shared similar comments with students in the United States, a country with a low power distance index (<50) (Hofstede, 1991). In Switzerland, she was attempting to use similar transformational leadership style by challenging followers to take ownership of their work rather than ordering them as an authoritative leader would. However, in this context, such leadership style may have been misinterpreted as the authority figure not having the necessary knowledge to accomplish the task, therefore, lowering their opinion of her effectiveness. A majority of these students originated from Latin Europe, Eastern Europe, and Southern Asia country clusters and China (see Endnotes and Table 1) that score relatively high on the power distance scale (House et al., 2004) and expect effective leaders to be authoritative. This observation depicts an opportunity for improving and adapting future pedagogy while keeping cultural differences in mind.

LESSONS LEARNED

In view of the above findings, several lessons can be learned by both students and teachers. In particular, two principal areas of improvement may be identified as critical to the success of future efforts in integrating managerial accounting and strategic

planning through collaborative teaching: (1) course organization and articulation, and (2) teacher collaboration and involvement.

Course organization and articulation: In order to better integrate the knowledge areas of business functions, this project should be presented as a capstone project. The applied project should be introduced and blended into the theoretical part of the course allowing the students to start their international plan while learning about strategic management. Moreover, the first part should be taught without interruption just prior to the group work directed by both professors. Providing electronic spreadsheet templates for cost estimates for each department showing the links to pro forma income statements prepared under the USALI format may also prove beneficial for reiterating and guiding students with managerial accounting concepts.

Teacher collaboration and involvement: The professors should try selecting the groups either randomly or on the basis of students' functional expertise, prior work experience, and cultural backgrounds in order to assure sufficient diversity among each group. In addition, when supervising groups, teachers should consider the cultural mix of the group and intervene whenever a cultural element negatively impacts the effectiveness of the group performance. Finally, the collaboration between the two professors could be more effective by inviting the visiting professor to start the group work on-line (through videos, forums, discussions) prior to her arrival and by having a more active involvement by the other professor in the group project.

CONCLUSION AND IMPLICATIONS FOR FUTURE IMPROVEMENTS AND RESEARCH

The learning objectives of the simulated strategic plan and the collaborative teaching method employed were designed to make students aware of the importance of collaboration and synergy between various areas of expertise in developing a global strategic plan for a hotel; integration of managerial accounting and finance concepts to other functional areas of a strategic plan; practical choices made in international business because of cultural, socio-political and economic differences; and the challenges of globalization for the hospitality industry, specifically for entering foreign markets. The results of this pilot offering show that these objectives were indeed met. However, several areas of possible improvement were identified and will most likely be implemented as early as 2012.

Most of the problematic issues encountered in the course and project studied were functions of group dynamics, cultural differences, and perceived roles of instructors. The validity of the project itself was not at issue – it is actually a very well-designed teaching tool. Administration of the project could benefit from subtle changes. It is easy to brainstorm several ways in which to make the project more effective after the fact. Implementing changes in future semesters will only help to perfect the project. For example, it might be a requirement that the destination countries chosen must not be any of the group members' home nations. The instructors could try assigning groups so as to affect diversity, paying attention to the mix of members on the power distance scale. The project could be introduced and be started earlier in the semester so that groups would have more time to work together. Video conferencing could be utilized to introduce the visiting faculty earlier in the course. Furthermore, during this period, several managerial accounting concepts, applications, and exercises could be assigned and EXCEL templates could be provided to students as guides for preparing pro forma income statements and applying the Hubbart formula in preparing a strategic plan for a hotel.

In terms of collaborative teaching models, this study adds to the literature in that it points out the importance of the cultural dimension of group dynamics and the application of the power distance scale to student group effectiveness as well as student perceptions of faculty roles in the collaborative process. These findings provide implications for future research especially in the area of power distance. Group composition should be studied intensively, and data should be gathered over periods of time in an attempt to validate these findings. Student surveys should be refined so that data can be gathered and quantified over time. Course instructors should continue to collaborate, and consider bringing in one or more additional instructors in order to expand the areas of expertise represented in order to enrich student learning.

Endnotes

Country Clusters: 1) Latin Europe: Spain, Portugal, Italy, French Switzerland, France, and Israel. 2) Southern Asia: India, Indonesia, Iran, Malaysia, the Philippines, and Thailand. 3) Arabic: Egypt, Morocco, Turkey, Kuwait, and Qatar. 4)

Germanic Europe: Austria, Germany, the Netherlands, and Switzerland. 5) Anglo: Australia, Canada, the United Kingdom, Ireland, New Zealand, South Africa, and the United States. 6) Eastern Europe: Albany, Georgia, Greece, Hungary, Kazakhstan, Poland, Russia, and Slovenia (House et al., 2004).

Hubbart Formula – A bottom-up approach to pricing rooms. In determining the average price per room, this approach considers costs, desired profits, and expected rooms sold (Schmidgall, 2006, p.388; Dopson & Hayes, 2009). See Exhibit 1 for the format.

Porter's Five Forces Framework – 1) the intensity of rivalry among competitors, 2) the threat of potential entry, 3) the bargaining power of suppliers, 4) the bargaining power of buyers, and 5) the threat of substitutes (Porter, 1980).

USALI (Uniform System of Accounts for the Lodging Industry) – available at: 10th rev. ed. (Lansing, Michigan: Educational Institute of the American Hotel & Lodging Association, 2006), Hotel Association of New York City (Schmidgall, 2006, p. 112; Dopson & Hayes, 2009). See Exhibit 1 for the suggested USALI format.

EXHIBIT 1

Simulation Assignment (Group Project): 40% of the total course grade.

Criterion	Weighting
Grade by group members	25%
Thoroughness and Content understanding	45%
Writing style, referencing, Grammar	20%
Integration into the whole project (appears to be completed by one organization)	10%

A Guide

Purpose: A practical application of the global strategic theories and paradigms (both business and corporate level strategies) learned in weeks 1-8.

Assignment: Your task is to plan the establishment of a new hotel in a foreign country. One section will decide together on a country to enter. The second section will decide on a different country. Each section then will be divided into two groups each. Each group of 11 or 12 students will then decide on the type of hotel (chain, independent, boutique, full-service, conference, etc.) and the location in the country. The idea is that within each section two hotels will be competing to enter the same country. The groups will be freely discussing the location and the level of hotel. After this point, each group will be expected to form competitive strategies to 'win' in the global market. Please refer to recommended pages from the textbook as you are expected to link strategic themes to your decisions.

Whether the hotel should be a four-star or a five-star, a resort or just a hotel, that is up to you. But you must justify your choice in the context of theories/paradigms discussed in class. The establishment may be a stand-alone real hotel or a new location for a real hotel chain. If you use any financial information for a hotel chain (privately owned), please make sure to obtain appropriate authorization to share company information with the class. Publicly traded hotel information should be available through annual reports. You may also model your hotel based on a real one. You need to obtain instructor approval for your choice.

Each section will have two groups. Since there are 23 students in each section, each group size will be 11 or 12. Within each group, six sub departments will be formed:

- 1) General management, 2) Marketing research and promotion, 3) Finance and Accounting, 4) Operations which includes reservations, housekeeping, and restaurants, 5) Legal and Public Relations, and 6) Human Resources. Each department will have to interact with the other departments to complete a **coordinated and integrated** plan for this new establishment. Below is a guide for outline for each department's section. Each group's paper should not exceed **twenty typed written** pages. You must include a bibliography in your paper – please follow the **Glion House Style** section in the Dissertation Handbook.

Final paper DUE: March 18.

Oral Presentation by each group: DUE on March 18. Recommend a Power Point presentation for a maximum of 30 minutes with 10-15 minutes for a Question/Answer session. You will be graded by your group members on your contribution, attitude, and cooperation toward the project in accordance with the GLION group evaluation sheet (attached).

For each area, the five forces framework should be used (p. 36)

General Management– Justify the entry mode (equity/non-equity) of your choice with current literature discussed in class. This department is formed with department heads from marketing, Finance/Accounting, Operations, Legal/Public Relations, and Human resources

- Consider the following when you are choosing the type of hotel or the country:
 - Your company’s expertise in international markets;
 - Geographical or cultural proximity;
 - Market characteristics of the country;
 - Trade barriers and political and currency risks of the country;
 - Regional Trade Agreements, if any, e.g., the NAFTA, EU;
 - Your company’s past international experience.
 - Obstacles – Cultural, Political, Social, Economical.
- What sources would you use to use in this process – any helpful information from the federal, state, or local governments?
- **Marketing** –Justify your choices:
 - Why this type of hotel?
 - Why to this country? Why to this location in the country?
 - What processes did you follow? Surveys? Published results?
 - Who is your targeted audience or group of customers?
 - Which advertisement medium or media? Why?
 - Which pricing/promotion plan?
- **Finance/Accounting** – Which financial channel? Any host government subsidies? How would you hedge against or minimize FX risks? Banking channel? Any specific accounting rules to follow? Currency? Pro Forma income statements for three years.
- **Operations** – How many rooms? Which reservation system? What kind of restaurant(s)? What level of housekeeping service? **Remember** your targeted audience. Remember the role of technology on daily operations.
- **Legal/Public Relations** –Keeping abreast of the host country’s legal rules ; training personnel – cultural differences
- PR- keeping superior public relations with the host government and maintaining social/ethical responsibility for the whole system.
- **Human Resources** – Keeping abreast of the host country’s legal rules; training personnel – cultural differences – outsourcing of certain functions – electronic training and conferences – balancing between host country employees and head quarter executive personnel – benefits/compensation consideration for indigenous employees and expatriates.

Note: Each department needs to submit sales (marketing) and cost estimates to Finance/Accounting by **March 16**.

A *suggested* (only) template or an outline for the integrated global strategic plan:

General management will write an integrated executive summary (two to three pages) (mainly related to corporate level strategies) – the five members are the department heads:

1. Mission and vision statement (include corporate social responsibility)
2. A brief history of the company and the justification for choosing the region/country to enter and the level of hotel – through the application of the five forces
3. A SWOT analysis for the overall strategy – consider cultural, social, economical, political factors
4. Justification for the choice of the entry mode (Greenfield, or acquisition or joint venture or management contract or others – corporate level strategies
5. Overall competitive strategy with the other group (entering the same country)
6. Highlights from each department

The sub-departments will mainly follow business-level strategies which should fall in line with corporate-level strategies

Marketing:

1. Describe the strategies for each of the 4P’s. These should make sense in accordance with the overall strategy that General Management decided upon.
2. The 4P’s should also be coordinated with the level of hotel and the customer segment
3. Promotional strategy with corporate social responsibility that may also be tied to profit
4. An estimated revenue forecast based on Average Daily Rate and expected occupancy (growth in market share and growth in sales volume) and an estimated marketing cost structure – these estimates may have to be adjusted after Finance/Accounting provides feedback after performing break-even analysis and Return on Investment analysis

Operations:

- 1.The overall layout (description is fine, an actual drawing is not required) – how many rooms, how many and what kind of restaurants, any spa and any outsourcing of housekeeping, reservation system, etc.
- 2.The operational strategies should also be coordinated with the overall strategies decided by General management
- 3.A discussion on logistics and supply chain – would you source locally and help the community (corporate social responsibility)
- 4.Provide a cost estimate to Finance/Accounting including personnel costs – this may have to be adjusted after feedback from Finance/Accounting - quality and cost control are the key goals

Legal/Public Relations:

1. Legal rules/regulations affecting all aspects and functions in the country of operations
2. Public Relations – innovative ideas in corporate social responsibility and with the host government and for the whole system

Human resources:

1. Code of Ethics and corporate social responsibility with employees
2. Recruitment and selection of expatriates and training

3. Recruitment of host country nationals and training
4. Development of host country managers
5. Compensation and benefits
6. Personnel costs (include training and development) – again, may need to be adjusted based on feedback from Finance/Accounting

Finance/Accounting:

1. Optimal capital structure (that is financing through borrowing or investors or headquarters or a combination)
2. Managing FX risks – minimizing losses from currency fluctuations
3. Break-even analysis and pro-forma income statement for three years – from cost/revenue estimates from the other departments (see an income statement template enclosed) – I suggest that you use ROI bottom up approach to calculate ADR (HUBBART formula)

Suggested format in accordance with USALI (Uniform System of Accounts for the Hospitality Industry)

ABC Hotel

**PROJECTED INCOME STATEMENT
FOR THE PERIOD ENDED.....**

YR.1 YR. 2 YR. 3

Revenue:

Sales Volume (Projected) – FROM MARKETING (Occupancy %) by 3/16

ADR and food/beverage average price -- FROM MARKETING (by 3/16)

Total Revenue (A)

Cost of Rooms and food/beverage sold:

Sales Volume (FROM ABOVE) X

Production cost /unit – ESTIMATE a cost %

Total Cost of Rooms and food/beverage Sold (B)

Gross Operating Profit (C=A-B) A BALL PARK ESTIMATE A GROSS OPERATING PROFIT % based on industry research

Undistributed Operating Expenses (Ball park estimates):

Marketing/Advertising (FROM MARKETING (Total from advertising such as print, TV, word of mouth, whichever is most appropriate or a combination thereof))

PR Expenses (MARKETING/PR –such as scholarships, media events, etc.)

Salaries (FROM HR –such as Expatriate, local managers, hourly includes expat housing and fringe benefits)

Other such as Management Fees, Depreciation

Interest Expense, if any from borrowing (Finance)

Interest Income, if any from investing any remaining portion of \$20 million)

Other General &Admin. (such as retreats and anything else) have a cushion

Tax (if any)

Total Expenses (D)

Projected Net Income (E=C-D)

Profit Margin (E/A) should be ROI (e.g., 10% of \$20 million) and then you can work from bottom up.

As I said before, the first couple of years may show losses instead of the expected ROI such as 10%, but hopefully you can show profits from the third year.

HUBBART FORMULA

DESIRED PROFIT (Required ROI by investors multiplied by total investment)

+INCOME TAXES

+MANAGEMENT FEES, IF ANY

+FIXED COSTS

+UNDISTRIBUTED OPERATING EXPENSES

+(-) NON-ROOM DEPARTMENTAL LOSSES OR (PROFITS)

+DIRECT EXPENSES FOR ROOMS

=REQUIRED ROOM DEPARTMENT REVENUE

DIVIDED BY (MAXIMUM # of ROOMS x ESTIMATED OCCUPANCY % x 365 DAYS)

= ESTIMATED ADR (Average Daily Rate)

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