

DESIGNING AND USING PROJECTS WITH REAL WORLD APPLICATION IN A MBA MANAGERIAL ACCOUNTING CLASS: THE CASE OF THE BALANCED SCORECARD

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ABSTRACT

This paper explores the purpose of designing and using projects with real world application in a M.B.A. managerial accounting class. Included is a discussion of how and why the Balanced Scorecard (BSC) Project has been used in classes to link theory with practice by providing real world application of the BSC framework. M.B.A. students represent a diverse background of professionals with skill sets in a variety of different fields. The BSC project was selected and designed for this group in part due to its broad application and ease with which each student would be able to gather and apply information. Students were challenged to design a personal BSC based on their particular position. The BSC framework emphasizes the key role played by management accounting in influencing and assessing performance from the four BSC perspectives (financial, customer, internal business process, and learning and growth) and includes financial and nonfinancial measures. The basic learning objective was for the student to apply what they learned about the balanced scorecard to their organization and clarify their understanding of how their position relates to company strategy. The project also provided the opportunity to increase the student's understanding of their organization's business model by developing business performance metrics linked to strategy. Each student designed a personal BSC with at least one measure from each of the four balanced scorecard perspectives. The project was divided into six weeks. Weekly feedback was provided from the professor to assist in the design of the BSC. The project was assigned in eight M.B.A. managerial accounting classes between 2013 and 2015. At the end of each class, students were asked to complete a survey. The survey contained five questions to be answered on a five point Likert scale with space for additional comments. The survey yielded 72 useable responses. The majority of the students (90% or greater) reported that they either agreed or strongly agreed that they enjoyed the BSC project and it increased their understanding of how their position contributes to the overall strategy of their organization. The majority of the students (90% or greater) reported that they either agreed or strongly agreed that they gained knowledge that will be beneficial to them on their job and recommend that the BSC project be included in future managerial accounting classes.

INTRODUCTION

The concept of using projects with real world application in education is not new. In most accounting classes, instructors use a variety of approaches and assignment types to augment learning. These commonly include lectures, homework consisting of exercises and problems, written reports, case studies, and/or simulations. This paper provides details and clarifies the benefits of using the Balanced Scorecard Project in an M.B.A. managerial accounting class to provide real world application of managerial accounting concepts and support active learning. The teaching methodology requires the students to design their ideal personal balanced scorecard based on their particular position in the workplace. Through a series of

weekly assignments over a six week timeframe, students receive guidance and feedback from the professor that greatly aids in the learning process.

This approach helps to integrate knowledge and skills as students learn how the balanced scorecard can help their organization's success through the implementation of an effective, competitive strategy that involves everyone in the organization. The project requires the students to work through a series of assignments with no correct answer. It continues to challenge their critical thinking skills as they choose measures based on all four of the balanced scorecard perspectives and provide justification for the measures they selected.

Student surveys demonstrate that this concept works and students learn from this approach. The main contribution of this paper is to provide M.B.A. managerial accounting instructors with a project option that can greatly enhance the learning experience of the students. The next section of the paper explores the motivation for considering a new teaching approach with M.B.A. managerial accounting students. This is followed by a brief background of the Balanced Scorecard Project. The fourth section covers the learning objectives and teaching methodology of the Balanced Scorecard Project. This is followed by the Balanced Scorecard Project design and a discussion of the issues surrounding the proposed project. The final section contains the results from student surveys and recommendations.

MOTIVATION TO USE A NEW TEACHING APPROACH

The Need for Active Learning Approaches

Using projects with real world application such as the proposed Balanced Scorecard Project promotes active learning. Active learning is endorsed by several authoritative bodies dedicated to accounting education. In 1990, the American Accounting Association formed the Accounting Education Change Commission (AECC). One of the AECC's most notable accomplishments was the issuance of Position Statement Number One. This statement advocates that students be active participants in the learning process and not just passively receive information from the instructor (AECC 1990, 309). Learning by doing is emphasized. The AECC recommends that courses focus on basic concepts and the application of those concepts in a real world environment (AECC, 1990).

Russell, Kulesza, Albrecht, and Sacks (2000) warn of the dangers of continuing down the same path in accounting education. They indicate that the practice of relying on passive learning and testing for memorization of rules and content is not only inefficient but does not prepare students for the uncertainty faced in the real world (Russell et al.). Druckman and Bjork (1994) established the advantages of active learning in promoting the development of higher order thinking.

By using a real world business approach in teaching M.B.A. managerial accounting courses a pedagogy can be utilized that incorporates both active learning and the constructivist approach as proposed by Molenda (2002). This is accomplished by creating a multifaceted, authentic, and applicable learning experience. This type of experience in learning has been shown to continue on beyond the present context into application in the workplace.

By using the proposed Balanced Scorecard Project in a M.B.A. managerial accounting class, it is conceivable that the students can attain all the learning levels maintained by Bloom, Englehart, Frust, Hill, & Krathwohl (1956).

Student Motivation

M.B.A. students represent a diverse background of professionals with skill sets in a variety of different fields. There is no career path that absolutely requires an M.B.A. Many people pursuing an M.B.A are not accountants and do not plan on becoming accountants. While some may have taken a few business courses others, have no business background at all (i.e., the engineer or medical professional). It can be hard to convince them of the value of studying managerial accounting and why it is important for everyone in business (Tan, Satin, & Lubwama, 2013).

Each M.B.A. student has various reasons for pursuing an M.B.A degree. The common denominator among many M.B.A. students is that they are working professionals that desire to enhance their career and future opportunities. The purpose of the proposed project is to provide something tangible that the student can apply in their organization. As students become immersed designing their own personal balanced scorecard, they are able to see how what they do contributes to the strategy of their organization. They are also better able to understand the role that managerial accounting has in assisting management in the implementation of strategy.

THE BALANCED SCORECARD AND STRATEGY IMPLEMENTATION

The balanced scorecard was selected and designed for this group in part due to its broad application and ease with which each student would be able to gather and apply information. Students were challenged to design a personal balanced scorecard based on their particular position.

The balanced scorecard was first introduced nearly 25 years ago by Kaplan and Norton (1992, 1993, 1996a, b) as an integrated strategic performance management system to help organizations translate strategy into action. Since its inception, the balanced scorecard has attracted worldwide attention in both practice and academia and has been translated into 24 languages. For a general review of the balanced scorecard, see Hoque, 2014. The balanced scorecard framework emphasizes the key role played by management accounting in influencing and assessing performance from the four balanced scorecard perspectives (financial, customer, internal business processes, and learning and growth) and includes financial and nonfinancial measures.

In December 2008, the IMA published a new definition of management accounting that emphasizes a much more strategic role in the management accounting profession (Williams, 2009). Blotcher (2009) stresses that the role of the management accountant has changed and they are no longer viewed as simply a technical and procedural expert but as a valued business advisor. Blotcher (2009) indicates that the management accountant in today's business environment is expected to help the organization develop and implement strategy. The shift in the role of the management accounting profession changes the way it should be taught and increases the relevance of assigning the Balanced Scorecard Project in a managerial accounting class.

LEARNING OBJECTIVES AND TEACHING METHODOLOGY

The project was designed for M.B.A. students working full time in a professional setting. A six week detailed assignment plan walks the students step-by-step through the process of designing a personal balanced scorecard related to the position they hold in their organization. Through the completion of weekly assignments and feedback provided, the students develop a more comprehensive understanding of the practical application(s) of the balanced scorecard. The project should help facilitate a student's understanding of how they contribute to the overall strategy within their organization.

The basic learning objectives are to help the student understand how the balanced scorecard is used to implement strategy and the role of the balanced scorecard in selecting strategic performance measurements. Students will be able to apply what they have learned about the balanced scorecard to their own position. The project will help the student develop critical thinking skills and increase their understanding of how they contribute to the strategic direction of their organization.

DESIGN OF THE BALANCED SCORECARD PROJECT FOR MBA MANAGERIAL ACCOUNTING CLASSES

The instructor that used the proposed Balanced Scorecard Project described in this paper taught at Southern Wesleyan University (SWU), a small, private, non-profit university in Central, South Carolina. SWU's main campus is located in Central, South Carolina with regional locations across South Carolina in Charleston, Columbia, Greenville, and North Augusta. SWU was founded in 1906 and is accredited by the Southern Association of Colleges and Schools. The college serves a growing population of both traditional and adult students.

The proposed Balanced Scorecard Project was used by the College of Business in the Adult and Graduate Studies Program. SWU offers a general M.B.A. The Balanced Scorecard Project was used in an evening accelerated cohort model. During the time of this study classes in the evening program in Adult and Graduate studies met one night each week for six consecutive weeks.

The students were challenged to develop a personal balanced scorecard based on their particular position in their organization. The Balanced Scorecard Project was designed to fit into a six week time frame with one part of the project due each week. In week one students, are asked to prepare an outline on the background/history of their organization. In week two, they are to write about their organization's strategic goals, objectives, business, model, and current situation. They are also asked to provide details that link the organization's strategic goals and objectives to the area that they work in. In week three, they are to identify measures for two of the perspectives for their balanced scorecard. In week four, they are to identify measures for the remaining two perspectives for their balanced scorecard. The students were asked to identify seven parts for each of their measures: the objective, measure, target, logic of the underlying measure, relationship to the firm's goals and/or strategic objectives, source of the information, and the frequency the information will be reported.

Detailed feedback was provided on the weekly balanced scorecard assignments and suggestions were included related to the design of each student's balanced scorecard. In week five, modifications to the balanced scorecard suggested in earlier weeks were to be made. The final completed project was due at the end of week six. Each of the parts of the Balanced Scorecard Project due in weeks one, two, three, four, and five were worth 10% of the grade on the project. Collectively the weekly assignments were worth 50% of the grade on the project.

Issues and Barriers Surrounding the Proposed Balanced Scorecard Project

While the Balanced Scorecard Project can be an excellent learning tool, the instructor needs to be comfortable with using a project with no set answer key. Every project is different and as such will have its own unique design. While there is general criteria for choosing measures that fall within each of the four perspectives, there is room for much creativity in the student's individual balanced scorecard.

Weekly feedback provided in a timely manner by the instructor is an integral part of the learning process associated with the project. This element of the assignment can

be quite time consuming. The time requirement to keep up with providing weekly feedback can be daunting, especially if the class has a large number of students enrolled.

It would be ideal if the students could benefit from learning about each other's balanced scorecard. However, the information contained in a student's balanced scorecard is often proprietary. Oral presentations were not a part of the assignment due to the proprietary nature of the information contained in the project.

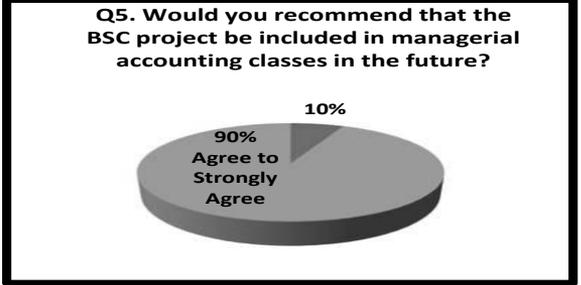
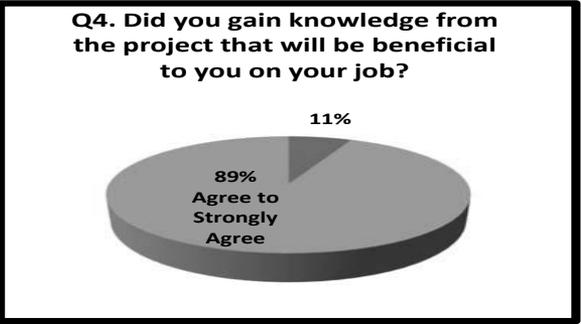
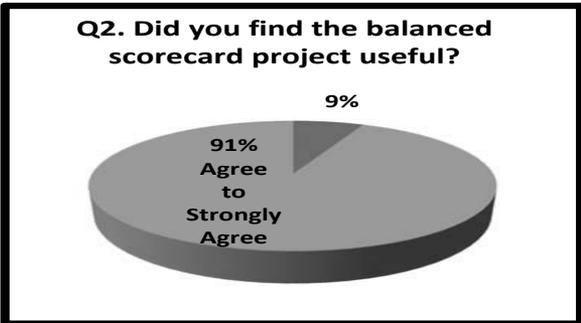
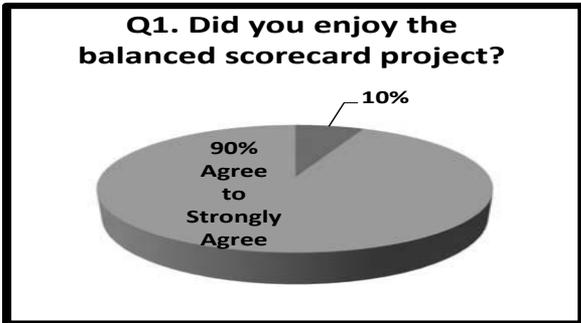
SURVEY DESIGN AND RESULTS

A survey was used to gather student feedback concerning the practical application of the Balanced Scorecard Project. The survey contained five questions to be answered on a five point Likert scale with space for additional comments. The survey was given at the end of the last night of class.

The project was assigned in eight M.B.A. managerial accounting classes between 2013 and 2015. The students

surveyed were working adults attending SWU's regional locations in Charleston, Columbia, and North Augusta. A total of 88 students were enrolled in the classes surveyed. The survey yielded 72 usable responses.

The majority of the students (90% or greater) reported that they either agreed or strongly agreed that they enjoyed the Balanced Scorecard Project. The majority of the students (91% or greater) agreed or strongly agreed that they found the Balanced Scorecard Project useful. The majority of the students (86% or greater) agreed or strongly agreed that the Balanced Scorecard Project increased their understanding of how their position helps to contribute to the overall strategy of their organization. The majority of the students (89% or greater) agreed that the knowledge gained from the Balanced Scorecard Project will be beneficial to them on their job. The majority of the students (90% or greater) agreed that the Balanced Scorecard Project should be included in managerial accounting classes in the future.



CONCLUSION

Overall findings indicate that the students enjoyed the Balanced Scorecard Project and found it useful. They believe that the balanced scorecard will be beneficial in their job and they would recommend the Balanced Scorecard Project be included in managerial accounting classes in the future. Future studies should consider the demographics of the students surveyed (including what type of size and type of organization they designed the balanced scorecard for, the student's age, and ethnicity). It is recommended that a longitudinal study be pursued that considers the impact that the Balanced Scorecard Project has had on the careers of the students.

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