

## Standards Introduction

MBA Research focuses its research, curriculum and instructional-materials design, and assessment activities on three business-related clusters: Business Management, Finance, and Marketing. These clusters are addressed as concentrations in a Business Administration major at the postsecondary level.

In addition, entrepreneurs are a major driver of the U.S.'s market economy, and entrepreneurship is defined in many ways, with the range of needed skills varying based on that definition. For our purposes, MBA Research defines entrepreneurship as *taking the risk to grow an idea into a business venture*. The skills that are needed begin with idea/problem/issue recognition and continue through initial business operations. After that, modifications to processes and products are based on innovation skills rather than entrepreneurial skills.

A person could start a business specific to any of the three business-related Clusters: Business Management, Finance, or Marketing. The entrepreneurial skills that are applicable to all three clusters appear in the Business Administration Core for the Entrepreneurship standard/instructional area.

However, there are skills in the individual Clusters that are also needed when developing an entrepreneurship program of study/course. Those skills would not be applicable across the three Clusters and would *not* be in the Business Administration Core. Instead, the relevant business skills needed for initial business operations are pulled from each Cluster to create a complete entrepreneurship program of study/course.

Therefore, the following visual reflects that entrepreneurship is a key component of the National Business Administration curriculum, while also showing its reliance on the business administration clusters.



These three business-related clusters are described as follows:

Careers in the **Business Management Cluster** are dedicated to performing administrative and managerial processes vital to the success and ongoing existence of a business organization, regardless of the sector or industry in which the business resides or the product/service it provides.

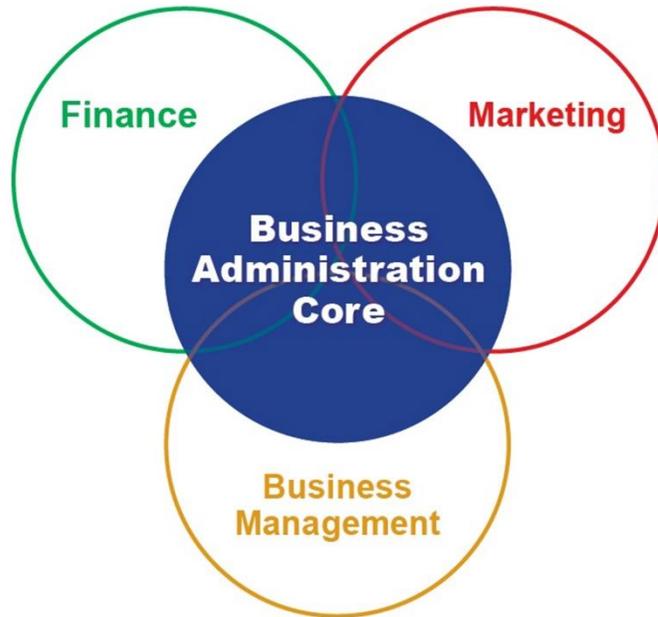
The **Finance Cluster** includes career opportunities related to making strategic decisions to report, obtain, save, protect, and grow the financial assets of businesses and/or individuals.

The **Marketing Cluster** includes career opportunities whose processes create, communicate, and deliver value to customers and manage customer relationships in ways that benefit the organization and its stakeholders.

Through its extensive primary and secondary research efforts, MBA Research recognized that some of the skills and knowledge needed for success in careers in these three clusters were the same. In effect, an employee in the finance cluster needs to know or to be able to do some of the same things as employees in the business management cluster.



This finding aligns with the treatment of business administration majors in college. Students there start with a common core of business subjects and become more specialized as they advance in their college careers. This overlap in skills and knowledge needed among business employees is referred to as the Business Administration Core.



Common skills and knowledge in the Business Administration Core were identified in the following areas:



These areas represent various topics—not courses. There is some content in Business Law that applies to employees in any of the business careers. The same applies to Marketing—we’re not saying that all business employees need to know everything about Marketing—just some content that will enable them to understand the role and contributions of marketing to an organization. Likewise, we’re not saying that all employees need to be strategic managers since

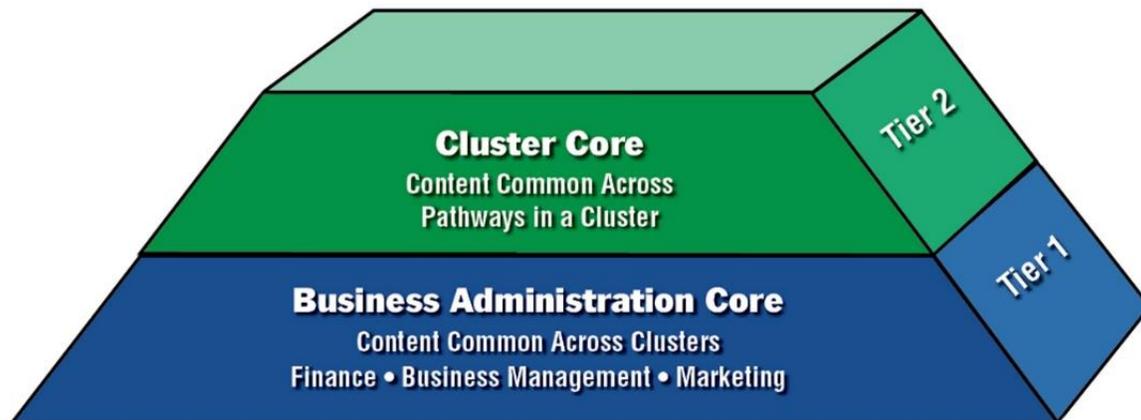
some of these topics apply to employees at a certain career level in an organization. We are saying that at a certain career level, employees in the three clusters need to understand and be able to do strategic management.

Notice, too, the disciplines identified in the rainbow colors below the clusters. This indicates that to be successful in a business career, students need a solid foundation in the disciplines of social studies, math, language arts, social science (psychology/sociology), and technology applications. It also implies that these disciplines are integrated into the business skills and knowledge.

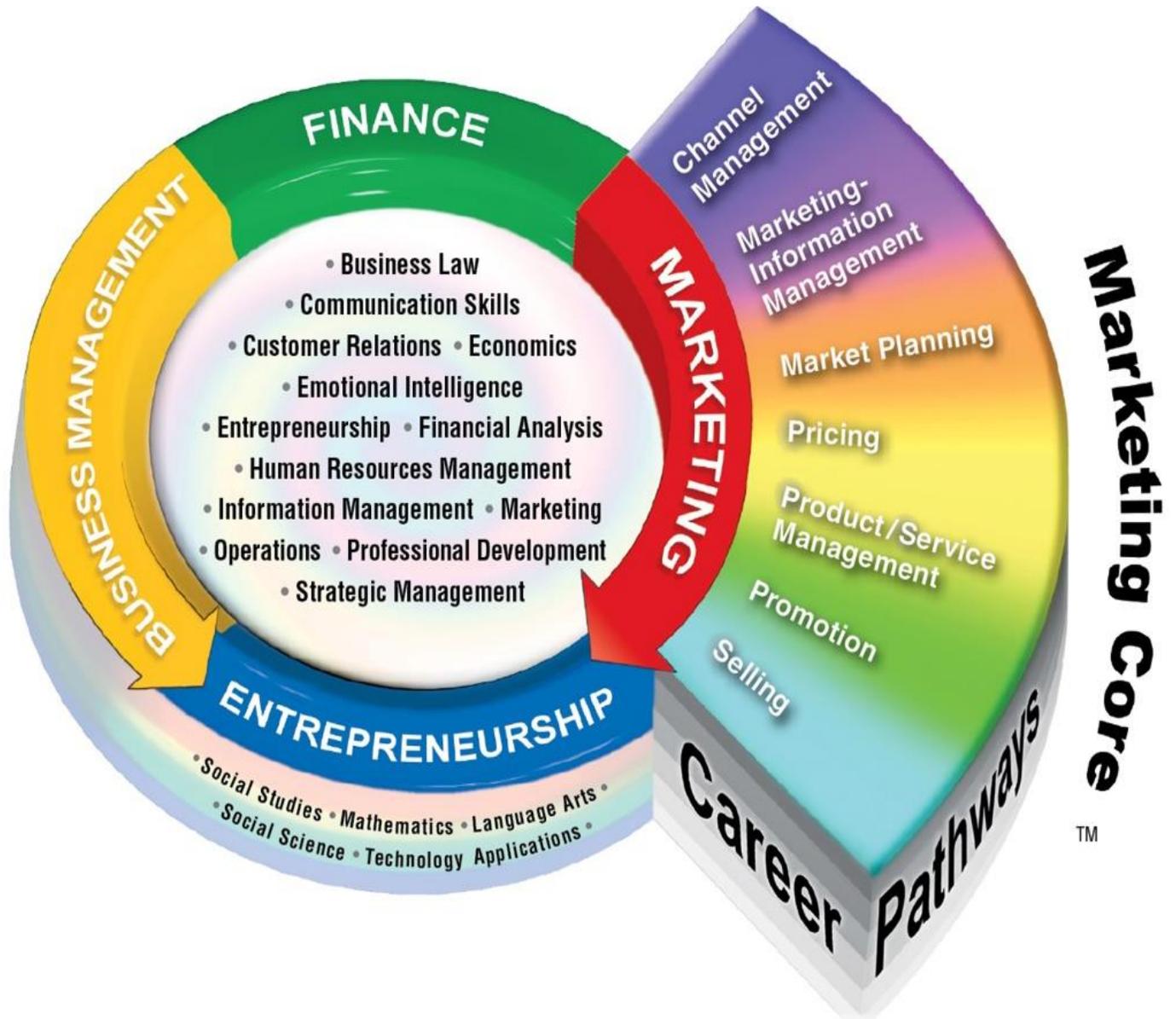
**Tier 1.** Another way to visualize this information is to think of a pyramid that begins with a broad base that is common to all business-related career clusters. So, the base of the pyramid represents our first tier of specificity. In the case of the Business Administration Core, the content applies to all three clusters.



**Tier 2.** The next tier of specificity is called the Cluster Core. It represents content—the skills and knowledge—that is common across careers in an individual cluster.



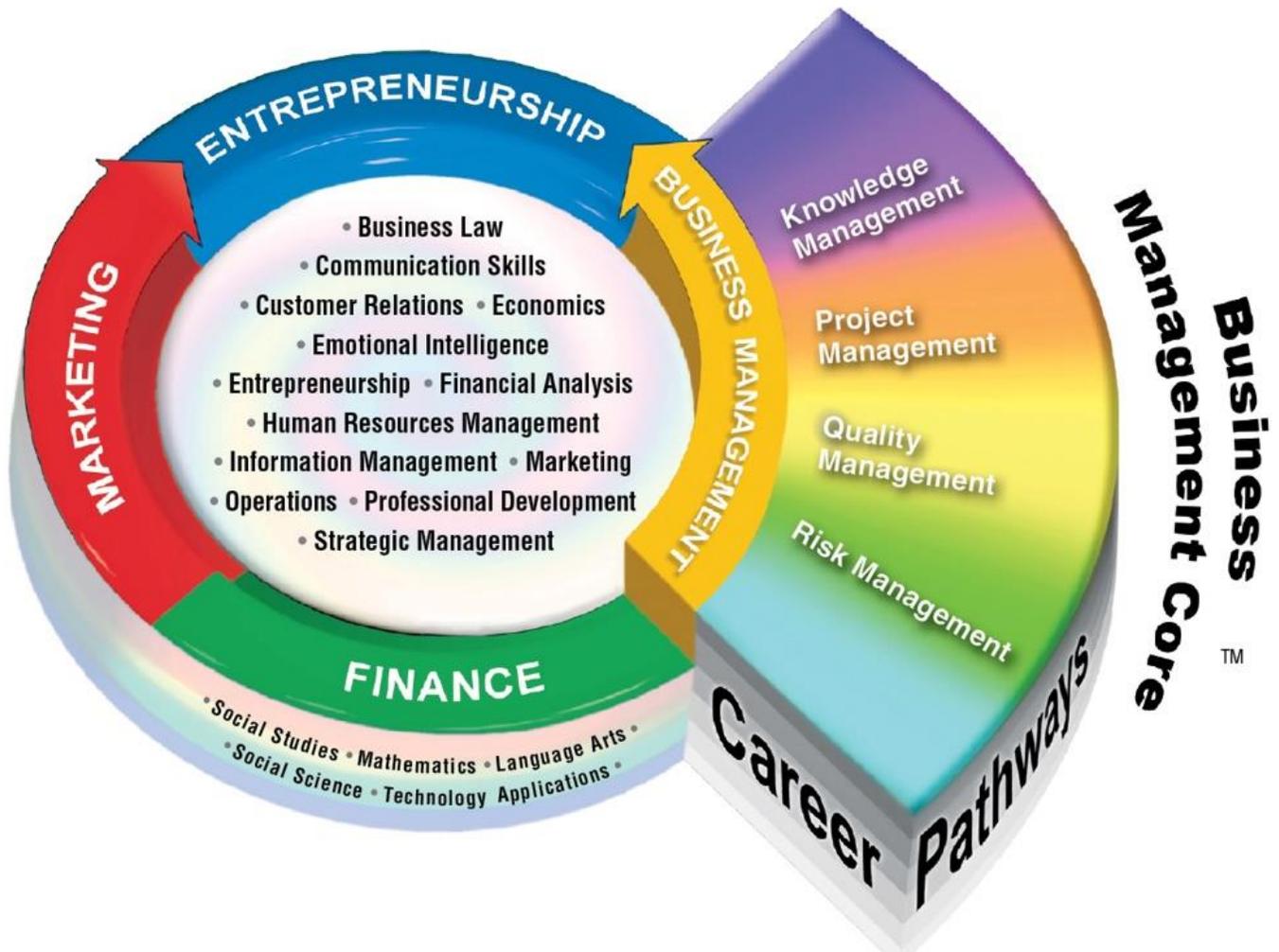
So, this means that within each of the three business administration clusters, there are skills and knowledge that apply to the careers in that cluster, but not to the careers or pathways in the other clusters. All marketing employees, for example, need to know and be able to do certain things that employees in finance do not need to know or do. In Marketing, that content is based on the marketing functions of channel management, marketing-information management, market planning, pricing, product/service management, promotion, and selling.



The content that is common across the Finance Cluster pathways is Compliance, Financial Information Management, and Risk Management.

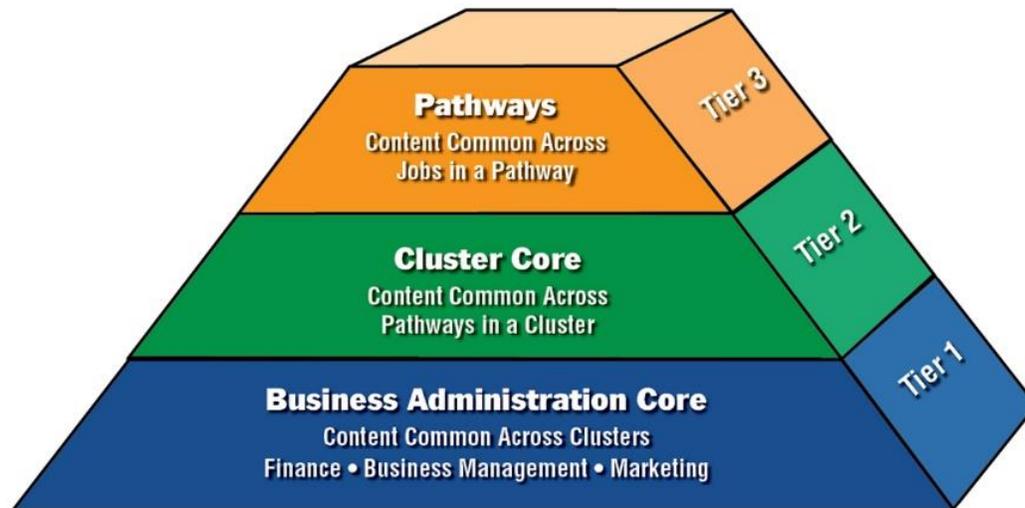


The cluster content that is common across the Business Management pathways is Knowledge Management, Project Management, Quality Management, and Risk Management.



These visuals depict the Curriculum Frameworks for the business administration clusters. In general, a framework is a skeletal structure that supports or encloses something. In education, frameworks are used to support and enclose the curriculum of a discipline by defining the discipline's main elements, thereby providing a big picture overview of the discipline's curriculum. They act as gatekeepers by helping educators and curriculum developers make decisions about what should be addressed or eliminated from consideration in a curriculum. Once educators have determined what content should be addressed, they can use the scaffolding that frameworks provide as a basis around which curricular content is developed, organized, and implemented. Its visual presentation, or schematic, can also serve as a communications tool to share with those interested in a discipline. It quickly communicates the main topics or areas of instruction that will be addressed.

**Tier 3.** The next tier of specificity is Tier 3 which represents the content across jobs within a pathway. In other words, there's content that is common to all sales positions or to all accounting positions, or to all human resources management jobs.



Each Cluster is composed of a number of pathways whose content represents a variety of broad-based occupational opportunities that have similar skillset requirements. For a pathway to exist, the following criteria must be met:

- Presence of a discrete, core body of knowledge
- Existence of a career ladder
- Extent of professional certification and training
- Existence of professional association(s)
- Critical mass in terms of number of jobs

Pathways for the **Business Management** Cluster are:

**Administrative Services** careers facilitate business operations through a variety of administrative and clerical duties including information and communication management, data processing and collection, and project tracking.

**Business Information Management** is an umbrella term covering those careers that provide a bridge between business processes/initiatives and IT. Employees in this area help to align business and IT goals.

**General Management** careers plan, organize, direct, and evaluate all or part of a business organization through the allocation and use of financial, human, and material resources.

**Human Resources Management** careers focus on the staffing activities that involve planning, recruitment, selection, orientation, training, performance appraisal, compensation, and safety of employees.

**Operations Management** careers plan, organize, coordinate, and control the resources needed to produce/provide a business's goods and/or services. Examples of activities in Operations Management are quality control, scheduling, procurement, and warehousing.

The pathways for the **Finance Cluster** are:

**Accounting** careers record, classify, summarize, analyze, and communicate a business's financial information/business transactions for use in management decision-making. Accounting includes such activities as bookkeeping, systems design, analysis, and interpretation of accounting information.

**Banking Services** careers are primarily concerned with accepting deposits, lending funds, and extending credit. They include cash management, short-term investments, mortgages and other loans, credit cards, and bill payment. Banking services are delivered via a number of different institutions, from commercial banks (the largest group) and other traditional means (savings and loans associations, credit unions, and local banks) to newer ventures through insurance companies, brokerage houses, and the Internet.

**Corporate Finance** careers manage policy and strategy for (and the implementation of) capital structure, budgeting, acquisition and investment, financial modeling and planning, funding, dividends, and taxation.

**Insurance** careers protect individuals and businesses from financial losses through "products" that transfer risk from an individual or business to an insurance company.

**Securities and Investments** careers involve jobs in brokerage firms, investment banks, and stock exchanges, all of which support the flow of funds from investors to companies and institutions. Related services include financial planning, asset management, hedge fund management, and custody services.

Pathways for the **Marketing Cluster** are:

The **Marketing Communications** pathway focuses on informing, reminding, and/or persuading a target audience. Examples of marketing communications activities include advertising, direct marketing, public relations, sales promotion, and digital marketing communications.

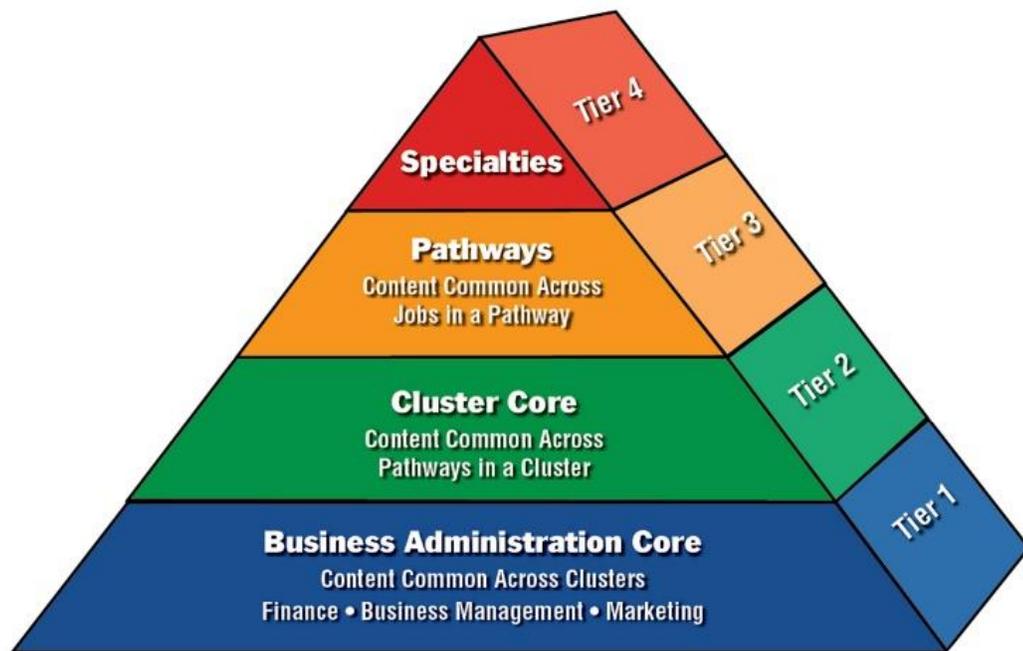
Careers in the **Marketing Management** pathway focus on requiring broad, cross-functional knowledge of marketing and management. These functions include marketing-channel management, marketing-information management, market planning, pricing, product/service management, promotion, and selling.

Careers in the **Marketing Research** pathway focus on utilizing qualitative and quantitative research methods to determine information needs, design data-collection processes, collect data, analyze data, and present data to be used to make business decisions.

The careers in the **Merchandising** pathway focus on efficient and effective product planning, product selection, buying, licensing, and inventory control.

Careers in the **Professional Selling** pathway focus on offering services, equipment, machines, supplies, parts, and finished goods to other businesses to use for business operations, for the manufacture of other products, for samples passed on to others, or for resale/provision to others. These occupations require in-depth knowledge of the target customer such as the customer's needs, business, competitors, and products; pre-sales activities; sales processes and techniques; and servicing after the sale.

**Tier 4.** The fourth and final tier of specificity represents the skills and knowledge that are specific to a job. Its content is based on product-specific or company-specific know-how. For example, pharmaceutical salespeople need to know or be able to do things specific to that job that would not be needed by real estate agents, or by advertising salespeople. Likewise, auditors would need certain skills not needed by cost accountants and an HR benefits specialist would need skills not needed by trainers.



Interestingly, many CTE programs once focused on Tier 4 knowledge and skills without providing the more general skills and knowledge found in Tiers 1, 2, or 3. Those programs were accused of being too narrowly focused because the skills and knowledge students acquired were not

transferable to other jobs or careers. To help students acquire transferable skills—those skills we know they’ll need since people change jobs/careers frequently throughout their work lives—we start and focus primarily on content in the Business Administration Core and the Cluster Core at the high school level. Then, postsecondary educators move students through the higher-level tiers of specificity. In this way, the business administration curriculum can be viewed as a continuum that can begin in the primary grades with career awareness and exploration and continues through postsecondary education with the emphasis becoming more specialized to the learner’s individual interest in business.

### **Curricular Organization**

Within each tier, the curricular content has been organized into Standards (also referred to as Knowledge and Skill Statements), Performance Elements, Performance Indicators, and Objectives.

**Standards.** The Standards are broad-based content standards. They identify what students should know and be able to do as a result of instruction in any of the business-related clusters. These statements encapsulate the overarching intent/purpose of a work function. The Standards for the Business Administration Core are:

**Business Law (BL):** Understand business’s responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

**Communication Skills (CO):** Understand the concepts, strategies, and systems used to obtain and convey ideas and information

**Customer Relations (CR):** Understand the techniques and strategies used to foster positive, ongoing relationships with customers

**Economics (EC):** Understand the economic principles and concepts fundamental to business operations

**Emotional Intelligence (EI):** Understand techniques, strategies, and systems used to foster self-understanding and enhance relationships with others

**Entrepreneurship (EN):** Understand the concepts, processes, and skills associated with identifying new ideas, opportunities, and methods and with creating or starting a new project or venture

**Financial Analysis (FI):** Understand tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources

**Human Resources Management (HR):** Understand the tools, techniques, and systems that businesses use to plan, staff, lead, and organize human resources

**Information Management (NF):** Understand tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making

**Marketing (MK):** Understand the tools, techniques, and systems that businesses use to create exchanges and satisfy organizational objectives

**Operations (OP):** Understand the processes and systems implemented to monitor, plan, and control the day-to-day activities required for continued business functioning

**Professional Development (PD):** Understand concepts, tools, and strategies used to explore, obtain, and develop in a business career

**Strategic Management (SM):** Understand tools, techniques, and systems that affect a business's ability to plan, control, and organize an organization/department

Each of the Cluster Cores also contains Standards specific to its cluster. The Standards for the **Business Management Cluster** are:

**Knowledge Management (KM):** Understand the systems, strategies, and techniques used to collect, organize, analyze, and share an organization's information

**Project Management (PM):** Understand tools, techniques, and systems that are used to plan, implement, monitor, and evaluate business projects

**Quality Management (QM):** Understand the need for standards and the strategies and techniques used to implement, monitor, and evaluate them

**Risk Management (RM):** Understand risk-management strategies and techniques to minimize business loss

In **Finance**, the Standards include:

**Compliance (CC):** Understand business's responsibility to know, comply with, and enforce laws and regulations that affect financial business operations and transactions

**Financial-information Management (FM):** Understand tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate financial information to assist business decision-making

**Risk Management (RM):** Understand risk-management strategies and techniques used to minimize business loss

For the Marketing Cluster, the following Standards have been developed:

**Channel Management (CM):** Understand the concepts and processes needed to identify, select, monitor, and evaluate sales channels

**Marketing-information Management (IM):** Understand the concepts, systems, and tools needed to gather, access, synthesize, evaluate, and disseminate information for use in making business decisions

**Market Planning (MP):** Understand the concepts and strategies utilized to determine and target marketing strategies to a select audience

**Pricing (PI):** Understand concepts and strategies utilized in determining and adjusting prices to maximize return and meet customers' perceptions of value

**Product/Service Management (PM):** Understand the concepts and processes needed to obtain, develop, maintain, and improve a product or service mix in response to market opportunities and to build brand for the organization

**Promotion (PR):** Understand the concepts and strategies needed to communicate information about products, services, images, and/or ideas to achieve a desired outcome

**Selling (SE):** Understand the concepts and actions needed to determine client needs and wants and respond through planned, personalized communication that influences purchase decisions and enhances future business opportunities

**Performance Elements.** Each Standard is composed of multiple Performance Elements. These statements are broad-based work or cognitive performances that aid in defining the Standards. An example of a Performance Element in Economics is: Understand economic systems to be able to recognize the environments in which businesses function

**Performance Indicators:** Performance Elements are defined through Performance Indicators that are specific work-based actions—either knowledge or skills. They specify what an individual worker must know or be able to do to achieve the Performance Elements. These learning outcomes are measurable (i.e., can be assessed). Examples of some of the Performance Indicators for the previous Performance Element are:

- Explain the types of economic systems
- Explain the concept of private enterprise
- Identify factors affecting a business's profit
- Determine factors affecting business risk
- Explain the concept of competition

**Objectives.** Each of the Performance Indicators is further defined through a series of Objectives. This organizational component specifies the scope of each Performance Indicator. Their use tells teachers what content to include or exclude from their instruction. The Performance Indicator that addresses types of economic systems is defined through Objectives as follows:

- a. Define the following terms: economic system, traditional economic system, command economic system, communism, socialism, and market economic system.
- b. Explain why economic systems are needed.
- c. Describe the characteristics of traditional economic systems.
- d. Describe the characteristics of communism.
- e. Describe the characteristics of socialism.
- f. Describe the characteristics of a market economic system.
- g. Explain how each type of economic system addresses the three economic questions.
- h. Describe the strengths and weaknesses of traditional economies.
- i. Describe the strengths and weaknesses of communist command economies.
- j. Describe the strengths and weaknesses of socialist command economies.
- k. Describe the strengths and weaknesses of market economies.

## Curriculum Planning Levels

Each performance indicator is assigned to one of six levels of complexity known as curriculum planning levels. MBA Research's philosophy is that instruction should be organized from simple to complex. In this way, the levels can serve as building blocks for instruction in that students should know and be able to perform the performance indicators at one level before tackling more complex skills and knowledge at the next level. The levels can also be used as the basis for developing an unduplicated sequence of instruction for articulation between high school and postsecondary business administration courses. In these cases, instructors can agree as to how far along the continuum students will advance in high school so that postsecondary instructors can initiate instruction at that point in the continuum. This will enable students to focus on new, more advanced subject matter rather than on content previously mastered. The six curriculum-planning levels are described as follows:

**Prerequisite (PQ):** Content develops employability and job-survival skills and concepts, including work ethics, personal appearance, and general business behavior.

**Career Sustaining (CS):** Content develops skills and knowledge needed for continued employment in or study of business based on the application of basic academics and business skills.

**Specialist (SP):** Content provides in-depth, solid understanding and skill development in all business functions.

**Supervisor (SU):** Content provides the same in-depth, solid understanding and skill development in all business functions as in the specialist curriculum, and in addition, incorporates content that addresses the supervision of people.

**Manager (MN):** Content develops strategic decision-making skills in all business functions needed to manage a business or department within an organization.

**Owner (ON):** Content develops strategic decision-making skills in all aspects of business that are needed to own and operate a business.

The prerequisite level performance indicators are at the simple end of the continuum. They address the *feel-good, smell-good* performance indicators found in the Business Administration Core. Few, if any, performance indicators at this level would be found outside that core.

## Hospitality and Tourism

In addition to the business-related clusters, the hospitality and tourism industry provides many business-based careers that create, communicate, and deliver services; travel experiences; and adventures to customers away from home for less than a year for leisure, business, and other reasons. These careers are in a variety of areas, some of which are outside the scope of

business administration (e.g., culinary, engineering, etc.). To aid in pinpointing the business-based careers, MBA Research calls the occupational cluster for these careers *Hospitality and Tourism Management*.

**Hospitality and Tourism Management Pathways.** The hospitality and tourism management sector can be divided any number of different ways. For our purposes, we work with the following four pathways:

- **Event Management** careers use business and financial principles, marketing skills, technical know-how, and organizational and project management skills to plan, develop, implement, and evaluate functions, gatherings, or exhibitions to interest, educate, and/or to entertain attendees.
- **Lodging Management** careers apply business and financial principles, marketing and customer service skills, and technical know-how to the operation and provision of guest accommodations and services.
- The **Restaurant Management** careers employ human resource management, operations, marketing and customer service, finance, and general management principles to provide food services in a variety of eating and beverage establishments.
- Careers in **Travel and Tourism Management** apply business and financial principles, marketing skills, and technical know-how to research, create, promote, and/or deliver exceptional customer experiences to increase travel and tourism activities in a region.

**Hospitality and Tourism Management Cluster and Pathway Content.** Unlike the Marketing and the Business Management clusters that are function-based, the pathways in Hospitality and Tourism Management represent industry sectors. Even though we've narrowed the focus to Hospitality and Tourism Management, there are managerial jobs in each of these sectors that address marketing (including sales), accounting, human-resource management, operations, administrative services, etc. This means that the Hospitality and Tourism Management cluster content as well as each pathway's content will be more broad-based than that found in a function-oriented pathway. The question that focused whether content would be included in the Hospitality and Tourism Management cluster was, "What skills and knowledge are most needed across all the business-based jobs in Hospitality and Tourism Management?" We followed the same logic for determining knowledge and skills for each of the pathways: What knowledge and skills do business staff need who work in a hotel, restaurant, or any of the other venues?"

The performance indicators in the Hospitality and Tourism Management cluster and pathways include broad-based technical know-how and content from the business administration clusters: Business Management, Finance, and Marketing. Students will complete their courses/programs with a broad understanding of the skills and knowledge required to work in an industry sector pathway. For in-depth job-specific skills and knowledge, students will need to consult additional resources.

**Common Cluster Content in Hospitality and Tourism Management.** The content that is common across the Hospitality and Tourism Management pathways is: Knowledge Management, Market Planning, Pricing, Product/Service Management, Promotion, Quality Management, Risk Management, and Selling. These common topics are defined as follows:

**Knowledge Management (KM):** Understand the systems, strategies, and techniques used to collect, organize, analyze, and share an organization's information

**Market Planning (MP):** Understand the concepts and strategies utilized to determine and target marketing strategies to a select audience

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**Summary**

The National Standards for Business Administration are organized from general to specialized based on the tiers of specialization. Tier 1 content (the Business Administration Core) is common to all business administration careers, Tier 2 content (Cluster Core) is common to all the pathways within a cluster, Tier 3 content (Pathways) is common to all careers in one pathway, and Tier 4 content (Specialties) is specific to a job or product. The content is organized into Standards, Performance Elements, Performance Indicators, and Objectives. Each performance indicator is assigned to a curriculum-planning level that aids in sequencing course content from simple to complex.