Business-Related Clusters

MBA Research focuses its research, curriculum and instructional-materials design, and assessment activities on four distinct business-related clusters:

- **Business Management**: 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.

- **Finance**: 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.

- **Hospitality and Tourism Management**: The Hospitality and Tourism Management Cluster includes 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*.

- **Marketing**: 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.

Business Administration Core

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 four 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.

The content of the broad-based Business Administration Core is fundamental to an understanding of business in all four of the business-related clusters and can be viewed as co-requisites and as prerequisites for all business administration courses. In other words, content in the Business Administration Core must be mastered in order for cluster-specific content to have relevance to student learning.
Common skills and knowledge in the Business Administration Core were identified in the following instructional areas:

These instructional 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 four clusters need to understand and be able to do strategic management.

Notice, too, the subject areas identified to the left and right of the Business Administration Core. This indicates that to be successful in a business career, students need a solid foundation in work-ready skills, social studies, mathematics, language arts, social science (psychology/sociology), and technology applications. It also implies that these topics are integrated into the business skills and knowledge.
Levels of Specificity

Tier 1: Business Administration Core

Another way to visualize MBA Research’s standards 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 four clusters.

![Tier 1: Business Administration Core]

Tier 2: Cluster Core

The next tier of specificity is called the Cluster Core. It represents content—the skills and knowledge—that is common across the pathways in an individual cluster. This means that within each of the 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.

![Tier 2: Cluster Core]
All business management employees, for example, need to know and be able to do certain things that employees in finance do not need to know or do. The cluster content that is common across the Business Management pathways is Business Law, Communication Skills, Emotional Intelligence, Financial Analysis, Information Management, Knowledge Management, Operations, Professional Development, Project Management, Quality Management, Risk Management, and Strategic Management.
The content that is common across the Finance Cluster pathways is Business Law, Customer Relations, Financial Analysis, Financial-Information Management, Information Management, Professional Development, and Risk Management.
In Marketing, the cluster core content includes Channel Management, Marketing-Information Management, Market Planning, Pricing, Product/Service Management, Professional Development, Promotion, and Selling.

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: Pathways

The Pathways tier addresses the content of a variety of broad-based occupational opportunities within a cluster. 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. To be considered a pathway, the following must exist:

- A discrete, core body of knowledge
- Well-defined career ladder
- Professional certification and training
- Professional associations
- 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 **Hospitality and Tourism Management** Cluster are:

- **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.
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 is 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?”

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: Specialties

The fourth and final tier of specificity focuses on specific job opportunities that are tied to a pathway. The job opportunities identified in the Specialties require knowledge and skills unique to a product or service. In Marketing,
as an example, Specialties for the Professional Selling Pathway include pharmaceutical sales, advertising sales, heavy-equipment sales, and medical-equipment sales. 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 of the pyramid, the curricular content has been organized into Standards/Instructional Areas, Performance Elements, Performance Indicators, and Objectives.

**Standards/Instructional Areas**

The broadly-based Standards, each of which is associated with a different Instructional Area, 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 Standard associated with the Economics Instructional Area, for example, is: “Understands the economic principles and concepts fundamental to business operations.” Each Instructional Area and associated Standard represents a particular topic—not a course.
The Standards/Instructional Areas for the Business Administration Core are:

- **Business Law (BL):** Understands business’s responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions
- **Communication Skills (CO):** Understands the concepts, strategies, and systems used to obtain and convey ideas and information
- **Customer Relations (CR):** Understands the techniques and strategies used to foster positive, ongoing relationships with customers
- **Economics (EC):** Understands the economic principles and concepts fundamental to business operations
- **Emotional Intelligence (EI):** Understands techniques, strategies, and systems used to foster self-understanding and enhance relationships with others
- **Entrepreneurship (EN):** Understands 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):** Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources
- **Human Resources Management (HR):** Understands the tools, techniques, and systems that businesses use to plan, staff, lead, and organize human resources
- **Information Management (NF):** Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making
- **Marketing (MK):** Understands the tools, techniques, and systems that businesses use to create exchanges and satisfy organizational objectives
- **Operations (OP):** Understands the processes and systems implemented to monitor, plan, and control the day-to-day activities required for continued business functioning
- **Professional Development (PD):** Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career
- **Strategic Management (SM):** Understands 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/Instructional Areas applicable to its cluster.

The Standards/Instructional Areas for the **Business Management Cluster** are:

- **Business Law (BL):** Understands business’s responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions
- **Communication Skills (CO):** Understands the concepts, strategies, and systems used to obtain and convey ideas and information
- **Emotional Intelligence (EI):** Understands techniques, strategies, and systems used to foster self-understanding and enhance relationships with others
- **Financial Analysis (FI):** Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources
- **Information Management (NF):** Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making
• **Knowledge Management (KM):** Understands the systems, strategies, and techniques used to collect, organize, analyze, and share information known in an organization

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

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

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

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

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

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

In **Finance,** the Standards/Instructional Areas include:

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

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

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

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

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

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

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

The Standards/Instructional Areas for the **Hospitality and Tourism Management Cluster** are:

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

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

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

• **Economics (EC):** Understands the economic principles and concepts fundamental to business operations
• **Emotional Intelligence (EI):** Understands techniques, strategies, and systems used to foster self-understanding and enhance relationships with others

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

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

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

• **Knowledge Management (KM):** Understands the systems, strategies, and techniques used to collect, organize, analyze, and share information known in an organization

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

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

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

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

• **Product/Service Management (PM):** Understands 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

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

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

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

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

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

• **Selling (SE):** Understands 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

For the **Marketing Cluster**, the following Standards/Instructional Areas are included:

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

• **Marketing-information Management (IM):** Understands the concepts, systems, and tools needed to gather, access, synthesize, evaluate, and disseminate information for use in making business decisions
- **Market Planning (MP):** Understands the concepts and strategies utilized to determine and target marketing strategies to a select audience.

- **Pricing (PI):** Understands concepts and strategies utilized in determining and adjusting prices to maximize return and meet customers’ perceptions of value.

- **Product/Service Management (PM):** Understands 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.

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

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

- **Selling (SE):** Understands 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 Instructional Area is composed of multiple Performance Elements. These statements are broad-based work or cognitive performances that aid in defining the Instructional Areas. A Performance Element from the Economics Instructional Area, for instance, is “Understand the nature of business to show its contributions to society.”

### 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 measureable (i.e., can be assessed). For example, one of the eight Performance Indicators for the Economics Performance Element “Understand the nature of business to show its contributions to society” is: “EC:070 Explain the role of business in society.”

### 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. For example, the Performance Indicator “Describe the concepts of economics and economic activities” is defined through Objectives as follows:

a. Define the following terms: economics, scarcity, economizing, opportunity cost, trade-offs, consumption, consumer, production, producer, exchange, and distribution.

b. Explain why wants are considered unlimited.

c. Discuss why scarcity exists.

d. Describe the three economic questions that all societies must answer.

e. Explain the importance of decision making in economics.

f. Describe four economic activities.

g. Discuss three factors that affect the value of money payments in a market economy.
Curriculum Planning Levels

Each performance indicator is assigned to one of six curriculum planning levels that represent a continuum of instruction ranging from simple to complex. The levels, which are based on the job level at which it is first needed within businesses, can serve as building blocks for instruction and curriculum development 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
- Appropriate for 9th-11th graders, students with little/no business background, and students with special needs

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
- Appropriate for “typical” high-school students of average and above-average abilities and interest

Specialist (SP):
- Content provides in-depth, solid understanding and skill development in all business functions
- Appropriate for advanced high school students and post-secondary students

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
- Appropriate for young adults at post-secondary level

Manager (MN):
- Content develops strategic decision-making skills in all business functions needed to manage a business or department within an organization
- Appropriate for young adults at post-secondary level

Owner (ON):
- Content develops strategic decision-making skills in all aspects of business that are needed to own and operate a business
- Appropriate for young adults at post-secondary level
Codes in the Standards

Each performance indicator statement is often preceded by as well as followed by multiple codes, as in the following example:

EC:070 Explain the role of business in society (CS) LAP-EC-070

Performance Indicator Number/Code

The code immediately preceding the performance indicator statement is the statement’s performance indicator number or code (in this example, EC:070). The performance indicator code is somewhat akin to a person’s social security number—a unique identifier used as shorthand for the longer full statement. MBA Research uses performance indicator codes most frequently to pull test questions from its test-item database. Performance indicator codes are often referenced on tests and in MBA Research’s curricular and instructional materials. The alpha-numeric performance indicator code consists of:

- A two-letter abbreviation for the instructional area in which the performance indicator appears (e.g., EC, which stands for the Economics instructional area)
- A random three-digit numeral (e.g., :070)

Curriculum Planning Level Code

Every performance indicator statement is followed by a two-letter code in parentheses. This code identifies the curriculum-planning level to which the performance indicator has been assigned. In our example, that code is CS, which means that this performance indicator is at the Career Sustaining level. (See Curriculum Planning Levels on pages 16-17 for more information.)

LAP Number/Code

Many performance indicators are also followed by a code beginning with LAP (short for Learning Activity Package), which indicates that MBA Research has developed a lesson module for that particular performance indicator. The LAP number or code (e.g., LAP-EC-070) references the two-letter abbreviation for the instructional area, along with a three-digit number. With only a few exceptions, the number appearing in the LAP code is the same as the number in the performance indicator code.
Entrepreneurship

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 business-related Clusters: Business Management, Finance, Hospitality and Tourism Management, or Marketing. The entrepreneurial skills that are applicable to all four clusters appear in the Business Administration Core in the Entrepreneurship 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 all four 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, this visual reflects that entrepreneurship is a key component of the National Business Administration curriculum, while also showing its reliance on the business administration clusters.