

Walker College of Business
Appalachian State University

Annual Report

Academic Year 2002-03

NOTE: This 2002-03 report was originally prepared as part of a university-required annual reporting process, not as an AACSB accreditation maintenance annual report per se.

During 2002-2003, the John A. Walker College of Business continued its tradition of excellence in teaching, research, and service regionally, nationally, and internationally. This excellence was achieved through the total commitment of the College's faculty and staff working together to provide the highest quality performance in all areas. This summary serves to document this performance by highlighting the major accomplishments and activities of our students, faculty, and staff. In addition, development and service activities with the business community are also noted. While the achievements of the College are many, there are also some problems which must be addressed.

I. MAJOR ACCOMPLISHMENTS

A. Outstanding Student Achievements and Activities

1. The Beta Alpha Psi chapter again earned superior chapter status (the highest possible level nationally), which earned scholarship money for accounting students and national recognition for ASU.
2. Accounting students continued to enjoy outstanding success on the CPA Exam. For MS Accounting students who took the November 2002 CPA exam, the pass rate by ASU students on all four parts in the initial attempt was 48%, with 11% passing three parts, and 22% passing two parts. These pass rates are much higher than the norms in North Carolina and United States.
3. Kevin Loisel was the bronze medallist in the November 2002 CPA Exam, receiving the third highest score in the North Carolina.
4. Cara Brents was selected in a national competition as a participant in the Anita Benedetti Student Involvement Program sponsored by the Risk and Insurance Management Society.
5. Matthew Gilbert won third place in the APICS E&R Foundation Donald W. Fogarty International Student Paper Competition.
6. Eric Flowers and Keri Hanson won scholarships from national professional insurance associations.
7. For the first time, a group of accounting students from Appalachian participated in the Deloitte and Touche Tax Challenge held this year in Atlanta, GA.
8. The internship program within the College of Business experienced another very successful year with 141 students participating.
9. There were 73 students inducted into Beta Gamma Sigma, the highest national honorary society in business. Students must be in the top 20% of the graduate class, the top 10% of the senior class, or the top 7% of the junior class in order to achieve this honor.

10. Study Abroad participation and support continued to be a successful opportunity in the College for faculty and students alike. There were five trips planned for the summer of 2002: Australia, China, Germany, Mexico, and Scandinavia. Participating in the five trips was a total of 9 faculty and 97 students. The trip to China (with 2 faculty members and 12 students) was canceled late in the spring semester due to the SARS epidemic. In another international opportunity, Dr. Bonnie Guy took 13 students from an international marketing class to Denmark for the seventh year as part of an innovative and collaborative project with the Aarhus School of Business, which involves cross-cultural consulting. One other semester trip was conducted in the fall with 16 students from a business policy class traveling to China with Dr. Coffey.
11. The College of Business Honors Program had 5 seniors complete the requirements of the program this year. The program accepted 15 new students for the coming year.

B. Faculty Achievements and Activities

1. The College received approval to establish an international business undergraduate degree program.
2. The College revised the MBA program from its current one-year format to a two-year format. The new format will allow students to include a certificate program in one of three functional areas and do an internship or an international study experience.
3. The College recognized three faculty members for their contributions in teaching, research, and service. Dr. Jerry Fox (Department of Management), Dr. Larry Garber (Department of Marketing), and Dr. Dick Crandall (Department of Information Technology and Operations Management) were presented College of Business Faculty Awards in the areas of teaching, research, and service, respectively. In addition, the College recognized a nontenure-track faculty member for excellence with Mr. Bryan Toney (Department of Management) receiving this year's award.
4. Dr. Susan Anderson received a national Deloitte and Touche Innovation in Tax Education award from the American Accounting Association.
5. Dr. Todd Cherry and Dr. John Dawson received significant publicity with the initiation of a Western North Carolina Economic Index.
6. Dr. Robin Byerly received a "Service Spotlight" award from Appalachian's ACT Office.
7. There were 11 College committees appointed during the past year with 81 faculty members, 1 Business Advisory Council member, and 3 students participating.
8. The College had a very successful year in recruiting new tenure-track faculty across the College. A total of thirteen new faculty were hired during the year with a breakdown as follows: Accounting –1, Economics –1, Finance Banking and Insurance – 3, Information Technology and Operations Management – 4, Management – 3, and Marketing -1.

C. Business Community Development and Activities

1. The College received \$729,000 in current and deferred gifts and commitments during the 2002-03 year. Included in this total is funding for 6 new scholarships/endowments.
2. The College held a reception for Walker College of Business alumni in the Raleigh area on September 12, 2002 at the McKimmon Center. More than 100 alumni and friends attended the event.
3. The College held its fourth annual Lewis L. Mack Alumni Day on March 27, 2003. The event brought to campus 58 business graduates who taught more than 100 classes with each academic department having some participation. For the first time, the College sponsored an Entrepreneur Summit held on October 24, 2002. More than 40 entrepreneurs, 50 percent of whom were alumni, spoke to nearly 70 classes. In addition, the event contained a student business plan competition, entitled "Sell Your Idea in 90 Seconds."
4. The College attempted to continue the efforts with regard to the conduct of a study abroad program at Fudan University for students in the College. Unfortunately, both travel components of the program were canceled due to the SARS epidemic in the Peoples Republic of China.
5. The Harlan E. Boyles Distinguished CEO Lecture Series brought two outstanding North Carolina leaders to campus this year to speak and interact with faculty, students, and members of the community. Mr. G. Kennedy Thompson, CEO and President of Wachovia Corporation, was the featured speaker in the fall lecture. Dr. Charles E. Hamner Jr., President and CEO of Hamner Advisory Services, was the luncheon speaker. Mr. David L. Burner, Chairman and CEO of Goodrich Corporation, was the featured speaker in the spring lecture. In the spring Dr. Spencer Glendon, with Wellington Management Company, was the luncheon speaker. The Honorable Richard H. Moore, the State Treasurer of North Carolina, also offered remarks at the spring luncheon.
6. The College initiated an on-line newsletter in October 2002 for alumni and other friends of the College. The link was mailed to over 3000 alumni for whom we have email addresses. In addition, a link to the newsletter was posted on the College web page. A second edition of the newsletter was put on-line in March 2003.
7. Beroth Oil/4 Brothers Stores sponsored its 10th annual golf event for which proceeds go to support students, faculty, and programs of the College. More than \$400,000 has been raised through this event over the last ten years. Mr. Winfield Beroth and his family were recognized at the April Foundation Board Luncheon for their contributions.

II. MAJOR PROBLEMS

- A. A combination of faculty salary compression and a salary structure that lags behind the national and southeast regional market continues to be a major resource and morale problem in the College of Business. Salaries are below AACSB levels for all ranks and this becomes acutely apparent at the upper rank of professor due to the College's inability to reward productive members of the faculty. Our research indicates we would have needed approximately an additional \$388,000 added to the salary base for this past year to adequately compensate the faculty when compared to peer schools in the southeast region. This is an increase of \$68,000 over the figure from last year. While the tuition increase money helped some, it did not adequately address this salary problem.
- B. In addition to the salary compression problem described above, the College is now faced with a salary inversion problem in many areas. The problem was created with the hiring of thirteen new tenure-track faculty this year. In order to offer market salaries to attract faculty, the College, in many cases, had to offer salaries higher than those of current faculty at both equal and higher ranks in most disciplines.
- C. The composition of faculty in the College continues to be a problem in this time of increasing College enrollment. Student credit hour production has increased by 29% from 45,900 to approximately 59,000 in the last five years. While the College has received additional positions in the last few years, there were insufficient funds on the additional position lines to hire the tenure-track faculty targeted at a market salary. Due to this growth and the College's inadequate salary pool, the College is relying increasingly on nontenure-track faculty to cover classes. For this past year, 42% of all student credit hours generated came from classes taught by non-tenure-track faculty. One specific area of critical need is in information technology where the number of majors has doubled in the last few years. With the three tenure-track departures in the previous year, this figure ballooned with 59% of student credit hours generated in this area being taught by faculty without terminal degrees.
- D. The College of Business continues to be misperceived as a wealthy college across campus although state money does not fully fund operational needs and external donations are highly restricted to specific areas within the College and can't be directed to areas that would be of more benefit to the College.
- E. The College needs to add additional staff to the Undergraduate Advising Center due to the number of students processed by the Center with the centralized advising system employed by the College. Currently one of the records clerks is devoting a large amount of her time to receptionist duties. To address the problems, we need to hire a full-time receptionist.
- F. Funds for faculty development, such as faculty internships, and summer research are inadequate for an AACSB International institution requiring a strong scholarly activity component. Such faculty development is essential to maintaining relevance of the curriculum and programs in business education.

In addition, academic departments are expressing increasing concerns about the amount of funds they can dedicate to faculty travel to conferences and other faculty development activities. This will increasingly be a concern as we attempt to provide adequate resources to allow faculty to pursue needed intellectual development activities to meet accreditation standards in this area.

- G. The poor performance of the ASU Foundation investments in the past few years will cause continued problems for the College in the upcoming fiscal year. The College had to reduce scholarship support of students by another \$40,000 for the upcoming academic year at a time of increasing tuition and fees for students. In addition, many existing College programs will be reduced or eliminated in the coming year due to lack of money. All “Partners for Excellence” endowed professorships mentioned in earlier reports are yet to be awarded due to insufficient funding from the investment returns in the Foundation. In addition, existing distinguished professorships will go unfunded or under-funded for this year.

Department: College of Business
 Date: 2002-2003

Summary of Faculty Activity

	Number of Projects, Activities, Papers, Honors, etc.	Number of Faculty Reporting Projects, Papers, etc.
3.* Research Projects/ Creative Activities	233	60
4. Publications	99	42
5. Papers/Talks	48	30
6. Professional Meetings Attended	79	57
7. Off-Campus Scholarly Assignments	XXXX	1
8. Release Time	XXXX	53
9. Proposals for External Funding	17	11
10. Instructional or Faculty Development Activities	84	36
14. a Cooperation with/assistance to Public Schools	6	7
14. b Regional Service Activities	97	34
14. c Internationally Related Activities	32	16
15. Leadership Roles	30	13
16. Committee/Council/Board/ Faculty Senate Assignments	291	76
17. Honors	35	21

* Numbers refer to item number in Annual Report to the Chancellor, Appendix D, Faculty Activity