




Date: March 9, 2020

To: Cathy Sandeen, Chancellor

From: John Stalvey, Interim Provost 

Cc: Karen Markel, Dean, College of Business and Public Policy  
Nalinaksha Bhattacharyya, Professor of Finance  
Ajit Dayanandan, Professor of Finance  
Gökhan Karahan, Chair and Professor of Accounting and Finance  
John Nofsinger, Professor of Finance  
Susan Kalina, Vice Provost for Academic Affairs  
Claudia Lampman, Vice Provost for Student Success

Re: **AY20 Expedited Program Review Findings – Finance BBA**

I have reviewed the dean's findings and the completed Expedited Program Review Template for the Finance BBA. The Provost's Office did not receive an Optional Program Response Form from the program.

### **Recommendations**

My recommendation is to accept the decision and recommendations of the dean with the additional commentary that the program must analyze the cause for the high level of attrition after the second year and implement a plan to bring the retention rate more in line with the other majors in the college. An interim progress report on all recommendations is due to the dean by March 1, 2021. The dean will submit a review along with the program's interim progress report to the provost by April 1, 2021. Unless otherwise noted at that time, the next Program Review will be included in the regular ongoing program review schedule.

### **Decision**

Recommend Continuation



Date: February 21, 2020

To: John Stalvey, Interim Provost

From: Karen Markel, Dean, College of Business and Public Policy (CBPP)

Cc: Dr. Gokhan Karahan, Chair, Accounting & Finance Department  
Dr. E. Lance Howe, Chair, Economics Department  
Dr. Bogdan Hoanca, Chair, Information Systems & Decision Sciences Department  
Dr. Helena Wisniewski, Chair, Management & Marketing Department  
Dr. Nalinaksha Bhattacharyya, Professor of Finance, UAA  
Dr. Kori Callison, Associate Professor of Management, UAA  
Dr. Yong Cao Professor, UAA  
Dr. Ajit Dayanandan, Professor of Finance, UAA  
Dr. Ed Forrest Professor, UAA  
Dr. Bogdan Hoanca, Chair, Information Systems & Decision Sciences Department, UAA  
Dr. Lance Howe, Assoc. Prof. & Committee Chair, UAA  
Dr. Alex James, Associate Professor, UAA  
Dr. Paul Johnson, Professor, UAA  
Dr. Sumeet Jhamb, Assistant Professor of Management, UAA  
Dr. Gökhan Karahan, Chair and Professor of Accounting and Finance, UAA  
Dr. DJ Kilpatrick, Associate Professor of Accounting, UAA  
Dr. James Murphy, Professor, UAA  
Dr. John Nofsinger, Professor of Finance, UAA  
Soren Orley, Associate Professor of Accounting, UAA  
Dr. Darren Prokop, Professor of Logistics, UAA  
Dr. Teresa Stephenson, Professor of Accounting, UAA

Re: AY20 Expedited Program Review Findings

**Program/s in this review:**

Bachelor of Business Administration (BBA) degree with major in Accounting, Economics, Finance, Logistics, Management Information Systems, Management (Management with Property Management and Real Estate Concentration), or Marketing

**Specialized accrediting agency (if applicable):**

Association to Advance Collegiate Schools of Business (AACSB)

**Campuses where the program is delivered:**

University of Alaska Anchorage

**Members of the program review committees:**

- Dr. Nalinaksha Bhattacharyya, Professor of Finance, UAA
- Dr. Kori Callison, Associate Professor of Management, UAA
- Dr. Yong Cao Professor, UAA
- Dr. Ajit Dayanandan, Professor of Finance, UAA
- Dr. Ed Forrest Professor, UAA
- Dr. Bogdan Hoanca, Chair, Information Systems & Decision Sciences Department, UAA
- Dr. Lance Howe, Assoc. Prof. & Committee Chair, UAA
- Dr. Alex James, Associate Professor, UAA
- Dr. Paul Johnson, Professor, UAA
- Dr. Sumeet Jhamb, Assistant Professor of Management, UAA
- Dr. Gökhan Karahan, Chair and Professor of Accounting and Finance, UAA
- Dr. DJ Kilpatrick, Associate Professor of Accounting, UAA
- Dr. James Murphy, Professor, UAA
- Dr. John Nofsinger, Professor of Finance, UAA
- Soren Orley, Associate Professor of Accounting, UAA
- Dr. Darren Prokop, Professor of Logistics, UAA
- Dr. Teresa Stephenson, Professor of Accounting, UAA

**1. Centrality of Program Mission and Supporting Role**

The BBA degree program with majors in Accounting, Economics, Finance, Logistics, Management Information Systems, Management (Management with Property Management and Real Estate Concentration), and Marketing is core to the CBPP to deliver an accredited undergraduate degree program in business. The CBPP serves the local Anchorage business community by meeting workforce demands and providing opportunities for high impact practices (i.e., community engagement) in and outside the classroom. This program is central to the CBPP business majors as it delivers the most courses for undergraduate students for the College. The BBA degree program also holds specialized accreditation through AACSB.

**2. Program Demand (including service to other programs), Efficiency, and Productivity**

The BBA core curriculum requires courses in all the functional areas of business, including addressing soft communication skills necessary in business fields. The BBA program efficiency could be improved through standardizing course caps as well as coordinating course schedules in the majors and as a whole in the CBPP. Program efficiency has been improved during the 2019-2020 AY with a more streamlined course schedule to maximize enrollment and better utilize full-time resources. The College holds strong with a fairly high student to faculty ratio. This could continue to be improved through ongoing course schedule coordination.

### 3. Program Quality, Improvement and Student Success

BBA degree program students often obtain professional employment that utilizes their undergraduate BBA degrees in the major fields or go onto graduate school for continuing education. The CBPP continues to hold a relative share of overall enrollment relative to the total number of UAA students overall. While enrollment has declined in the past few years, there is a consistent trend in the proportion of students who are enrolled in BBA programs.

### 4. Program Duplication / Distinctiveness

There is only one concentration through the BBA degree program in Property Management and Real Estate. This concentration is externally funded and is designed so that it can be easily completed and students to major in management. The BBA programs in Economics, Management Information Systems, Logistics, Finance and Marketing are the only bachelor programs of that type currently offered in the UA system.

### 5. Commendations and Recommendations

The recommendation for the BBA degree program is for each major to review current and consider future modes of delivery (i.e., face-to-face, online, hybrid). It is also recommended that a coordinated schedule be developed and implemented to provide a more efficient pathway for student success. Additionally, each major program should review current major courses to determine the currency with industry best practices.

### 6. Decisions

BBA in Accounting – **Enhancement:** Program should be enhanced with additional resources. Areas for enhancement include online program delivery and specialized accreditation to overall faculty quality/sufficiency. There is unmet demand for students with this major pursuing careers in public accounting in Alaska which forces these firms to recruit out of state workers. This area has had several faculty leave during the past few years which will limit its ability to meet AACSB sufficiency standards and opportunities for growth. Public accounting employers in the region also show continued support for program expansion through continued funding and program engagement.

BBA Economics – **Continuation:** Program is successfully serving its students and meeting its mission and goals. No immediate changes necessary, other than regular, ongoing program improvements. The program runs efficiently and faculty provide opportunities for student research and pathways to graduate education.

BBA Finance – **Continuation:** Program is successfully serving its students and meeting its mission and goals. No immediate changes necessary, other than regular, ongoing program improvements. The program runs efficiently and students in this major are increasing in demand as Alaska strives to bring more financial expertise into state operations and investment management.

BBA Logistics – **Continued Review:** Program is required to address specific issue with regards to faculty resources and program sustainability, and to undergo another review within the next two academic years. With Anchorage being the main logistics hub for the state and gateway for U.S. and Asia trade this should be a program in high demand. However, this program has a relatively small number of majors that may not warrant its continuation in the future.

BBA in Management Information System (MIS) – **Suspension:** While decisions relative to the program are made, admissions to the program are suspended. The reason for suspension recommendation is due to insufficient faculty resources, enrollment, as well as meeting specialized accreditation criteria faculty qualifications. Although this is the only program of its kind in the state, there are insufficient resources to continue to serve both the BBA MIS core courses required for all BBA majors and the BBA MIS major as currently designed. As noted by the program review, students often get hired before program completion

which may be an indication that this degree may not be necessary for career success in the field. Students interested in this field can also have the option to complete the AAS BCIS and obtain another BBA degree option. The current structure of the program forces course offerings with very few students and this cannot be supported given current staffing and resources available in the college. Because this is an area of high workforce demand in the state, the program may want to consider offering a concentration as part of a General Management degree for BBA students. This could provide students the area of emphasis without straining College resources.

BBA in Management – **Continuation:** Program is successfully serving its students and meeting its mission and goals. No immediate changes necessary, other than regular, ongoing program improvements. The concentration on Property Management and Real Estate is a thriving, unique offering supported through base and ongoing external philanthropy.

BBA in Marketing – **Continuation:** Program is successfully serving its students and meeting its mission and goals. No immediate changes necessary, other than regular, ongoing program improvements.

**Submission date:** January 31, 2020

**Program/s in this review:** Finance BBA

**Specialized accrediting agency (if applicable):**

**Campuses where the program is delivered:** Anchorage

**Members of the program review committee:**

Nalinaksha Bhattacharyya, Professor of Finance, ANC, nbhattacharyya@alaska.edu

Ajit Dayanandan, Professor of Finance, ANC, adayanandan@alaska.edu

John Nofsinger, Professor of Finance, ANC, jnofsinger@alaska.edu

Gökhan Karahan, Chair and Prof of Accounting and Finance, ANC, gkarahan@alaska.edu

### **1. Centrality of Program Mission and Supporting Role (700 words or less)**

It is very important to our business community throughout the state that we graduate well- trained finance students. Some common themes when discussing the current issues in Alaska business is the cost of training an educated workforce and the shortages that exist especially in accounting/finance/financial planning areas. We can cite a number of recent articles that mention these shortages nationally and/or internationally however we will strictly focus on our local region as we will present first hand evidence of this from our email communiques as well as the resulting data set generated from these emails.<sup>1</sup>

Our finance faculty members are involved with our students from early on. They advise and mentor students and oversee internship programs. They are well-regarded amongst the students and in the community. In January 2019, our department organized one of the largest gathering of “Firms/Faculty” to enhance connections with external constituencies and exchange ideas on how to meet challenges, as well as leverage opportunities in the constantly-changing fields of accounting and finance. More than 40 people representing public and private accounting, non-profits, banking, and energy participated. Gathering allowed faculty and external constituencies to network and discuss options to ensure relevancy in our programs. An exit survey showed overwhelming support to organize this gathering on an annual basis. This event encouraged faculty and external constituencies to discuss our relevancy and ways to increase our students’ competitiveness and success. With limited resources, our BBA Finance program contributes to the mission of the University of Alaska Anchorage by specifically addressing our five core themes: Teaching and Learning, Research, Scholarship and Creative Activity, Student Success, UAA Community, and Public Square. Evidence of contribution to these core themes will be provided in the rest of this document.

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<sup>1</sup> (See, “Graduates with tech and finance skills in high demand” at Financial Times, a very prestigious financial publication and “As a financial advisor shortage looms, college programs look to help fill the talent gap” at CNBC, a very prominent finance TV channel and web site.

## **2. Program Demand (including service to other programs), Efficiency, and Productivity (7 year trend; 1400 words or less)**

Over the last 7 years, the BBA finance program has graduated on average 23 students annually. During the past two years, we have trended up and exceeded that average graduation rate. But much work remains to be done as our industry is telling us that they have dire needs in terms of hiring qualified students. Over the last few weeks, we have surveyed both accounting and financial industry firms. Due to time constraints, we were not able to do a very comprehensive statewide survey. Despite this, we can state that the demand for our graduates is extremely strong. In this informal (email) survey, we posed one question (these email communications are all available upon request): How many BBA graduates will you hire in the next two years? Based on the 15 firms' responses, the following paragraph details our findings (Please note: In a previous version of this document we supplied all the names and data but we were told to delete tables, web links, etc.).

This data reveals that a total of 97 to 111 will be hired by all accounting and finance firms. Based on the 2019 numbers (degrees granted), all else equal, a little over half of our 58 finance graduates may be employed by Wells Fargo, Northrim, and Conoco Phillips. Please note that we have not had time and/or resources to survey wealth management companies, credit unions and/or other financial institutions. The cost of hiring from out of state based on anecdotal evidence is about \$15,000 and the tenure of these out of state hires is rather short. So, our Alaska businesses have every incentive to hire Alaska graduates. Some may think that there are other schools that may be able to supply these students to the local industry. That is certainly true and they do indeed interview for the same jobs as our students. However, we truly believe that we have enough room for every potential finance graduate. We believe that there is enough population at large and enough business volume across the state to justify all business programs.

Additionally, the Alaska Permanent Fund Corporation (APFC) has mentioned the need to increase the investment industry in Alaska to achieve its goal of investing more assets in Alaska and investing more through Alaska investment managers. The APFC Investment Policy (dated September 27, 2018) reports their goal of increasing in-state funds from less than 2% of the portfolio to at least 5% of the portfolio by 2023. This should continue to foster demand for finance graduates.

Using data from the IR site, we have generated some of our own efficiency measures for our BBA finance program. Apparent in this data is the fact that the number of degrees that we awarded as a percent of declared BBA Finance majors has been increasing starting with 2018. Also based on the IR data, even though both university and college wide numbers have been steadily declining, the size of the finance program relative to CBPP has been increasing since 2014.

Lastly, there are three other programs (one in CBPP and two in the rest of UAA) referencing our courses. This indicates that we have both external and internal demand.

## **3. Program Quality, Improvement and Student Success (1500 words or less)**

With very limited resources, we have been admirably supplying the needs of Alaska's banking/finance industry. With the hire of two new faculty members (both in 2014), our program seems to have gained

a bit more stability. Finance faculty publish high quality research and in recent years have done a good job in terms of having students participate in academic conferences as well as publishing in respectable academic journal(s).

CBPP is AACSB-accredited and over the last few years, our assurance of learning methods and data collection have improved. Some of these efforts led to more rigorous approaches for program level assessment. The program level, as well as course level, assessments have been undertaken. With respect to the program level, we assessed valuation and capital budgeting as well as the knowledge of the yield curve. The AoL results were used to make the material more rigorous and include more case studies to enhance understanding. With respect to course level assessment (BA A325-Corporate Finance), we do have a course-long assignment that we have been improving and/or enhancing every year. The assignment is a course capstone project in the sense that it encapsulates much of the analytical techniques acquired in the class and is quite involved.

#### Student Professional Development

Faculty value student research and, in the last four years, two of our students won “Best Paper” awards at the Society of Business, Industry and Economics. Drs. Dayanandan (Finance), Donker and Karahan were instrumental in their research. One student co-authored a publication (with Drs. Dayanandan (Finance), Donker and Nofsinger (Finance)) in *Global Finance Journal*. Through these engagements, students gain their research capabilities in our classes and have networked with other faculty and their counterparts at different institutions. These engagements help students in terms of developing not only their hard skills, but also soft skills.

In 2019, Finance Club members and the UA Foundation helped secure funding for two major travel opportunities. Students traveled to the AK Permanent Capital Corporation in Juneau, AK. Seven students also participated in the Quinnipiac University GAME Forum in New York City. Visiting financial institutions and participating in investment conferences help enhance their horizons and their confidence.

#### Public Sphere

Faculty engage with both national media and international media, such as the Wall Street Journal, Anchorage Dispatch News, and Marketwatch.com. Acknowledgment of faculty involvement is important in the eyes of our students which can lead to better student engagement, as well as success. Professor John Nofsinger hosted and facilitated a summit (Alaska Governor's Housing Summit) for the Alaska community and students (2016). At this summit, leaders, innovators, government officials, scholars, and more brainstormed housing ideas for Alaska.

#### Finance Club Engaging with Business Community

Communication between local finance industry leaders and Finance Club facilitates student development are extremely valuable for students for networking purposes and soft skills development. In the recent years, numerous finance industry speakers have addressed the club and classes. Students have also visited and toured local finance businesses.

#### Innovation and Promoting Student Success



Professor John Nofsinger was instrumental in acquiring our first Bloomberg Terminal. The Terminal has been integrated into class and the Finance Club activities. Dozens of students are getting their Bloomberg Market Concepts Certification.

Faculty Awards/Recognitions

Professor Nalinaksha Bhattacharyya received:

- The 2019 All-time 10% Downloaded Author
- The 2019 Best-in-Track Award for MBAA International—Academy of Finance Conference in the Mathematical Finance

Professor John Nofsinger received:

- 2019 Highly Commended-Emerald Literati Award
- 2015 Emerald Literati Network Awards for Excellence—Outstanding Paper

Professors. Dayanandan, Donker and Karahan received:

- The 2017 International Journal of Accounting & Information Management Literati Award

Professors Dayanandan, Donker and Nofsinger received:

- 2018 Highly Commended-Emerald Literati Award (with a Canadian co-author)

**4. Program Duplication / Distinctiveness (300 words or less)**

The BBA finance program at UAA serves in the largest city and business center of the state. The demand for our graduates is more than adequate. We have the unique advantage of being close to the headquarters of almost every major Alaska corporation.

**5. Summary Analysis (500 words or less)**

In CBPP, we have a good and growing finance program. The need for the BBA in Finance graduates is apparent from the local data that we have collected. This data provides evidence that our finance industry needs qualified and well-trained finance students and our internal data show that our program is able to produce the needed numbers. In its absence, Anchorage and thus Alaska will possibly have to incur much higher staffing costs.