

Entrepreneurial Pathways into New Zealand Diploma in Business

NEW ZEALAND DIPLOMA IN BUSINESS CONFERENCE

Entrepreneurs born or made?

30 June – 2 July 1999

EIT, Hawkes Bay

By Pam Malcolm and Prue Cruickshank
UNITEC Institute of Technology
Auckland.

Abstract

The purpose of this paper is to report on the effectiveness of two different pathways into the New Zealand Diploma in Business (NZDipBus) that have been offered at UNITEC for a number of years. This longitudinal study examines the effectiveness of these options not only for the individuals concerned but also as a market response. One pathway is offered to students who do not have the requisite English language skills, and the other to students who do not have a sufficient academic grounding for the mainstream NZDipBus programme. We will also consider how the market has shifted over five years and how it can be responded to. Factors such as immigration and course fees (government subsidies) will be considered.

Why study the effectiveness of our programmes?:

The University System of Georgia study (1994) states

“there is a direct economic benefit to an institution in retaining a student who has already been admitted. Not only is the student’s tuition income retained, but also the cost of recruiting a replacement is avoided. Retention also contributes to enrolment growth by helping to ensure a net gain in the balance between student recruitment and student attrition. Strong student retention also confirms an institution’s effectiveness in performing its primary higher education mission”.

The purpose of this research is to evaluate the effectiveness of two feeder “programmes” into the NZDipBus with a view to the programmes’ continuation and expansion.

The Programmes

Business Language

The rationale for establishing the Business Language “programme” was to assist full fee paying students to be successful in the NZDipBus. Students who met all other entry requirements but with an academic IELTS lower than 6 were seldom succeeding in the main stream NZDipBus courses. Hence it was decided to develop a supported option.

The Business Language comprises four NZDipBus papers plus language support which was run over one year. Papers 101 Accounting Practice and 150 Computer Concepts were delivered over one year whereas 136 Business Systems and 120 Economic Environment were delivered in one semester each. For this full time course, student numbers were limited to 24.

Pre-NZDipBus /Certificate in Business (Introductory)

The Pre NZDipBus programme was established over eight years ago for students whose marks were below the minimum entry required for NZDipBus. Such students may not have done any business subjects at school, or are mature students wanting to upgrade their qualifications but who lack the academic skills as they left school early. This is a full time one-semester course of six subjects. Classes are held between 10am and 3pm to enable parents to attend. An unspecified 100 level credit has recently been granted towards the NZDipBus for successful students. The programme was renamed Certificate in Business (Intro) in 1997.

Definition of Terms

- Effectiveness

Effectiveness is measured by students completing the course and going on to, and being successful in, higher study and/or work, unless domestic or financial factors intervene.

- Entrepreneurial

The Business Language “programme” recognised that the needs of full fee paying students could be met by the establishment of a “programme” with language support funded by their fees. This also allowed some “new residents” to take advantage of a programme which otherwise could not be financially justified.

The CertBus (Intro) is resource intensive. However it is seen as an investment in the long-term retention of these students in the Business Faculty and consequently there is less need to recruit new students.

- Pathway

A term used to show academic progression from one programme into others, particularly the NZDipBus and Bachelor of Business Studies.

- Student retention

A student retention and graduation report written by the University System of Georgia September 1994 describes students’ retention as “students persistence from college enrolment to completion of qualification”.

- Attrition

This describes the failure to persist after enrolment.

- A *dropout* is someone who permanently leaves an institution without attaining a qualification.

- A *stopout* is a student who persists in study over a longer than average period of time with intermittent intervals when he or she is not enrolled.

Methodology

A longitudinal study of the UNITEC student records for the Business Language and Certificate in Business (Introductory) “programmes” from 1995 to 1998 was undertaken. The numbers enrolled in each semester, the numbers who sat the final exam and student success rates for each semester’s intake was obtained. Successful students who had re-enrolled in the NZDipBus were tracked to establish the number of semesters of further study they had completed. This included tracking some students into their BBS studies.

The two sets of results were examined for trends. First the statistics from semester one 1995 to semester two 1998 inclusive were compiled. Then these figures were readjusted to exclude 1998 as these students would not have had time to complete the NZDipBus. The 1995 – 1997 data provided a more accurate picture.

Migration statistical trends were compared with student enrolments to consider their impact on student numbers. Likewise, the impact of student fees and allowances from 1995 – 1998 on enrolments was also considered. A literature search on student retention was undertaken to assess international (Western) experience and research.

Literature Review

There is considerable literature regarding student retention. Suzanne Bunny (1998) reporting to the *Global Conference on Student Retention* in 1998, estimates that 20% of students in New Zealand in tertiary institutes withdraw from study in their first year. Factors affecting their retention

include academic success, financial stability, and having the right skills to learn properly and being able to deal with homesickness, and the pressures and stress of learning.

These conclusions are similar to those drawn by Rickinson and Rutherford (1995) who received replies from 1,180 first year students from the University of Birmingham in 1993/1994 including those who withdrew in the first term. The main factors they identified in their study which influence student withdrawal/retention rates were:

1. The degree to which students felt prepared both academically and emotionally, for the transition to university.
2. The availability of appropriate academic and personal support at the transition stage and
3. Academic advisement which has been found to be inextricably entwined with student retention.

Student withdrawal/retention rates are further supported by the body of research based on the two theoretical frameworks which examine characteristics of students: Tinto's Student Integration Model (1975) and Bean's Student Attrition Model (1980).

Cabrera (1992) merged both Tinto's *Student Integration Model* and Bean's *Student Attrition Model* into one integrated model (figure 1). He used his findings to explain the difference between *persisters* and *dropouts*. He found that four trends emerged:

1. Social integration as measured by peer-group relations
2. Encouragement from family to continue attending
3. Academic performance
4. Commitment to the institution

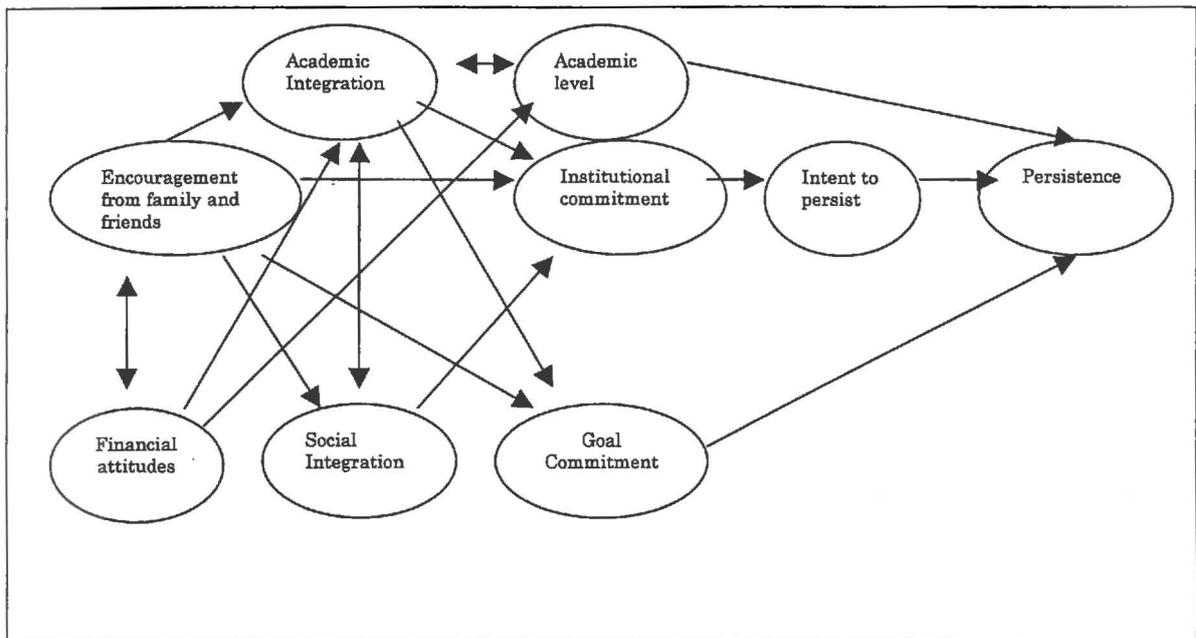


Figure 1: Cabrera et al's Integrated Retention Model (1992)

These findings are similar to those of the Georgia study and Molner's 1993 study (figure 2). Molner explained the retention decision as being the outcome of three variables:

1. Academic integration
2. Social/psychological integration
3. Institutional effectiveness environmental changes external to the institute and subsequent to the student's initial enrolment.

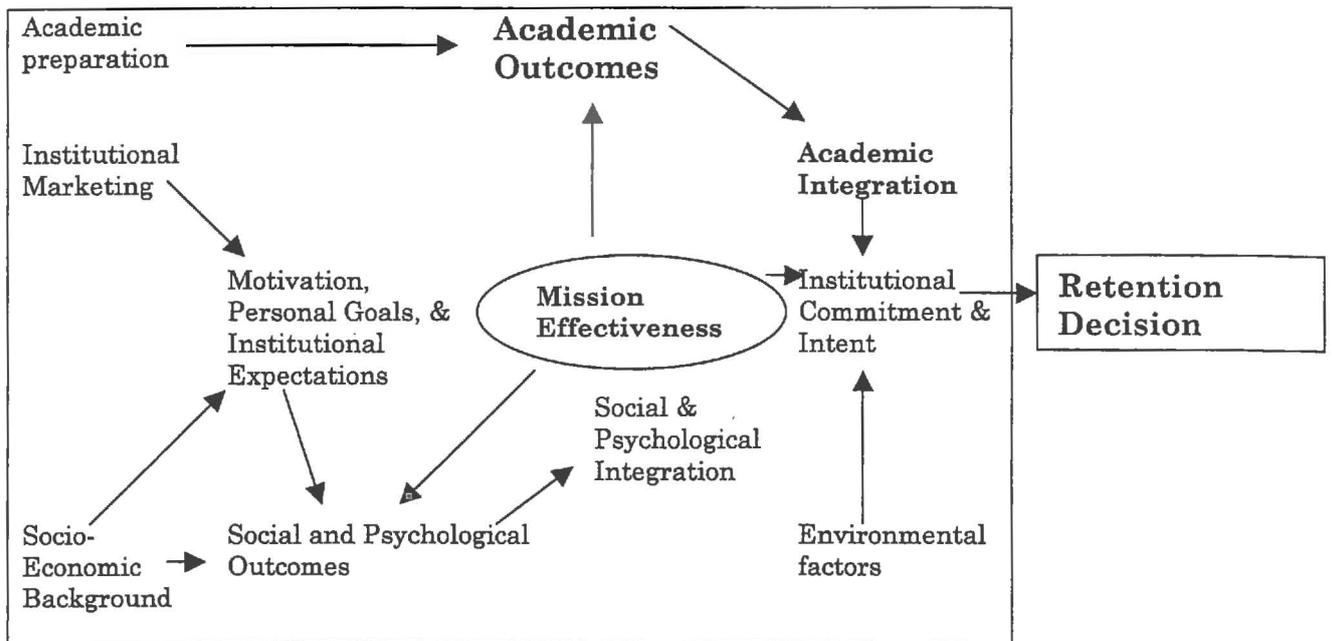


Figure 2: Molner's Theoretical Model of the Retention Decision (1993).

Findings

Both the Business Language and Certificate in Business programmes provide a higher level of counselling, advisement and support than “main-stream” programmes. Smaller class numbers ensure that all students are known to staff and the staff involved with these programmes are committed to the success of their students. There is considerable peer support activity functioning in both programmes which provides on-going encouragement and motivation for students as described in Molner's Model.

Business Language - Retention

The results of six semesters of Business Language were considered (Figure 3). On average 66% of enrolled students passed, and of these 69.7% re-enrolled. The average length of time the students who re-enrolled remained at UNITEC was 2.89 semesters which allowed them to complete their NZDipBus, and in some cases go into the Bachelor of Business

Studies (BBS). A 1997 cohort demonstrated considerable cohesion by remaining for 4 semesters, as they continued into the BBS.

Internal course evaluations regularly demonstrate a very high level of satisfaction with teaching staff in these small classes. SEQUAL scores usually score a 4 out of a possible 5.

Figure 3: Business Language Retention							
Class	Year	Semester	No Enrolled	Passed	Re-enroll	Total Sem	Avg Sem
2BS 101LB	1995	2	13	7	5	15	3.00
2BS 101BL	1995	1	10	8	8	27	3.38
2BS 150LB	1996	1	12	9	6	13	2.17
2BS 101LB	1996	2	27	20	11	30	2.73
2BS 101LB	1997	1	13	10	7	28	4.00
2BS 101LB C22	1997	2	19	10	8	17	2.13
2BS 101LB C23	1997	2	5	2	1	3	3.00
			99	66	46	133	2.89
				66.7%	69.7%	Percentage of students who passed who re-enrolled	
Percentage of enrolled students who re-enrolled					46.5%		

Cert.Bus(Intro) – Retention

The results of eight semesters of the above classes showed that on average 53.4% passed, and of these 64% re-enrolled. These students stayed an average of 3.24 semesters. It has also been gratifying to see the number of students who have completed not only the NZDipBus but the BBS as well, particularly the 1996 cohort.

Students who did not re-enrol immediately continue to return to UNITEC and recommence their studies in later semesters. Also, students who have completed a similar course of study at other institutes also enrol. Anecdotal evidence suggests that family commitments and financial pressures are the main barriers to these Cert Bus(Intro) students continuing.

Figure 4: Pre NZ Diploma in Business/CertBus(Intro) Retention							
Class	Year	Semester	No Enrolled	Passed	Re-enroll	Total Sem	Avg Sem
2BS 500A	1994	1	36	14	7	18	2.57
2BS 500A	1994	2	30	14	8	23	2.88
2BS 500A	1995	1	32	17	16	47	2.94
2BS 500A	1995	2	25	13	2	6	3.00
2BS 500A	1996	1	30	18	15	63	4.20
2BS 500A	1996	2	18	14	9	30	3.33
2BS 500A	1997	1	16	8	7	20	2.86
2BS 500A	1997	2	21	13	7	23	3.29
			208	111	71	230	3.24
				53.4%	64.0%	Percentage of students who passed who re-enrolled	
Percentage of students who enrolled who re-enrolled					34.1%		

The Cost of Education

As can be seen from Figure 5, from 1995 until 1998 Business Language local fees have increased by 56% for non-study right students. In 1997 there was a large drop in student enrolments.

Figure 5 Business Language Fees

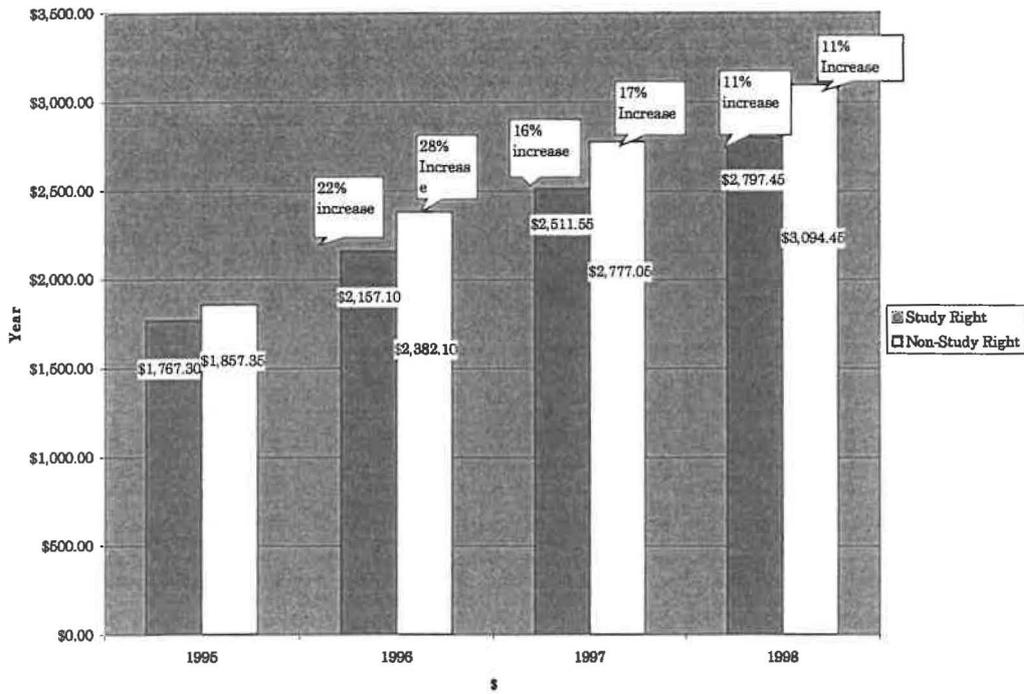
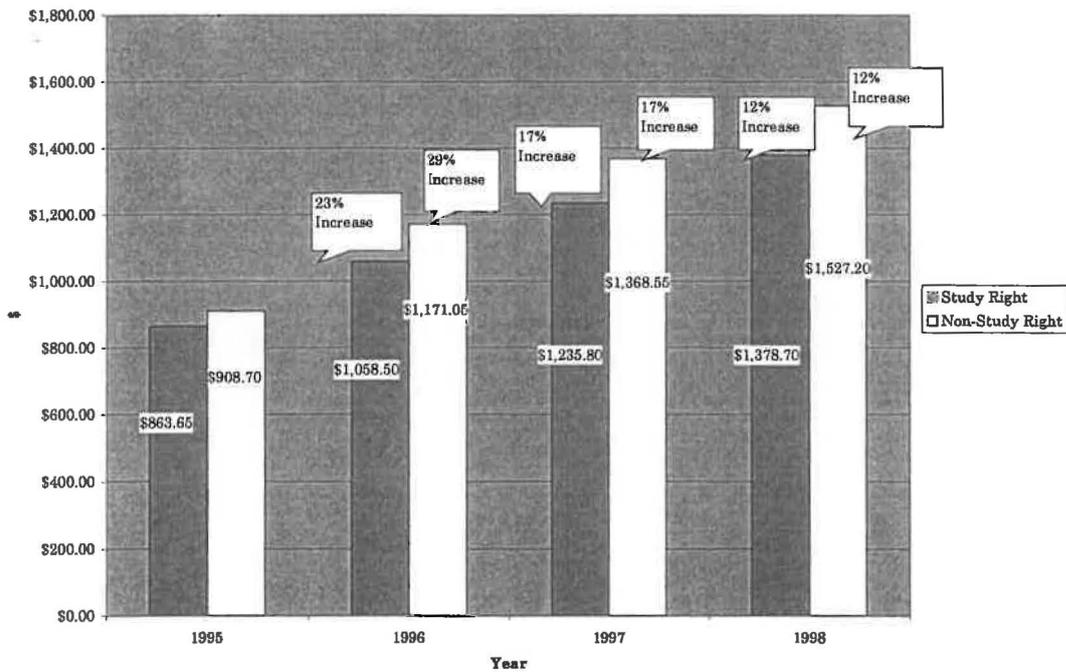


Figure 6 Cert Business(Intro) Fees



For Cert.Bus(Intro) (Figure 6) non-study right students the increase was 58%. For study-right students it was 52%. These students are not from the affluent areas of the community, and include a number of solo parents. As the course costs increased the numbers of enrolments decreased despite the availability of student loans.

Migration Figures

Migration figures from Statistics New Zealand from 1995 showed a total of 67,591 new immigrants to New Zealand which was an 18% increase over the 1994 total. In 1996 the total was 80,288, which was an increase of 18.78%. In 1997 the total was 76,896, which was a decrease of 4%. This is reflected in the downward enrolment trends in Business Language.

CONCLUSIONS

The direct economic benefit of retaining students is borne out in this study. The retention of these students avoids the cost of recruiting. Factors impacting on retention identified in the literature were also confirmed by this study. The entrepreneurial response to market demand partly led to the establishment of the Business Language "programme". For the overseas students in the Business Language class the small classes, the close interaction with both the lecturers and their peers provided a supportive and informed environment for success in their existing and future study. Academic and social success was achieved by the supported nature of the course.

For the Cert Bus (Intro) students the peer and lecturer encouragement, plus the extra support given to students' learning resulted in both academic success and retention. Students who dropped out often did so due to external factors. However it is believed that the cost of education and the opportunity cost impacted negatively on this group.

When the results of the study are compared with the Integrated Retention Model of Cabera et al (Figure 1) it confirms the conclusion that the combined factors of social and academic integration, plus institutional commitment, enhance the students' own intent to persist and their commitment to goals as long as family or financial commitments do not overpower the students' intention.

REFERENCES

- Allen, D. (1994) *The Iliad and the Odyssey of Student Attrition*. Presented at the Annual Forum of the Association for Institutional Research New Orleans. May – June 1994
- Bean, JP. (1980) Dropouts and Turnover. *The Synthesis and Test of a Causal Model of Student Attrition*. Research in Higher Education. Vol 12, 155-187.
- Bunny, S. (1998) Education Today August Third Pacific Rim Conference, Auckland, New Zealand
- Cabrera, A., Castaneda, M., Nora, A., and Hengstler, D. (1992). The Convergence between two theories of college persistence. Journal of Higher Education, 63; 143-164.
- Hoelt, T.M. (1994) The Utilisation of an Undergraduate Academic Advisement Record form in the Evaluation of Faculty Advisement. Paper presented at the Conference on Current Collegiate Faculty Evaluation Practices and Procedures of the Centre for Educational Development and Assessment. San Juan. November 1994.
- Molnar, D. (1993) The Impact of Mission Effectiveness on Student Retention. Presented at the Association for Institutional research. Chicago. May 1993.
- Rickinson, B. and Rutherford, D. (1995) Increasing Undergraduate retention rates *British Journal of Guidance and Counselling* Vol 23 , No 2.
- Tinto, V. (1975) Dropout from Higher Education: A theoretical synthesis of recent research. *Review of Educational Research*, Vol 45, 89-125.
- University System of Georgia (1994) *Student Retention and Graduation*, University System of Georgia, Office of Research and Planning, Georgia, Atlanta.