

*Tennessee's*

# BUSINESS

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## WHAT'S IN TENNESSEE'S FUTURE?

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## THE DEAN'S VIEW

### CHALLENGES AND OPPORTUNITIES

Dear *Tennessee's Business* readers:

**B**iblical scripture provides a clear admonition to focus attention on the problems of the day since there are more than enough of those to occupy us. For example, Matthew 6:34 says, "Therefore, do not worry about tomorrow, for tomorrow will worry about itself. Each day has enough trouble of its own." Yet here we are, devoting an entire issue to various thoughts about the future. Since that is the theme, allow me to give my views on the future challenges and opportunities facing colleges of business, taking specific notice of my express charge—the Jennings A. Jones College of Business at Middle Tennessee State University. I will focus on just seven challenges and seven opportunities.

#### Challenges

- **Financial Support.** Clearly, government support for public higher education in general has been in a sharp downward spiral for some time. In Tennessee, the appropriation of state tax funds for higher education per \$1,000 of personal income has declined from \$11.67 in 1979 to only \$6.50 as of 2005. This 44.1 percent decline means that public universities are increasingly dependent on tuition, fees, and private support. There is every reason to believe this trend will continue well into the future, and the greater concern is that the slope of this fall may become even steeper. While these national trends affect all of public higher education, higher-cost programs such as medicine, law, engineering, and even business may be more severely impacted.
- **Increased Demand.** In Tennessee, demographics suggest increasing demand for higher education simply because of the numbers of students coming through the school systems. The data for MTSU's service region are even more alarming. Couple these upward numbers with increased financial capacity brought about by the lottery scholarships, and throw in even higher expectations from employers for entry-level workers with college degrees. Make way for more students.
- **Aging Facilities Not Being Maintained and Replaced.** The operating budgets available to public institutions simply are inadequate to reasonably maintain existing facilities. The deferred maintenance (leaky roofs and failing HVAC systems) on Tennessee's campuses today is enormous, and each passing day compounds the problem. The Jones College is fortunate to have relatively new and quite marvelous facilities, but the level of use and lack of maintenance funding are already leaving regrettable marks on these facilities.
- **Technology Costs.** Professional schools, including schools of business, need not only to remain current but in fact be on the cutting edge of applied technologies for their fields. This means investing in new technologies when they are brand new—and at their maximum cost. The professional schools' costs will remain high if they are to serve their constituencies properly because they will always be seeking to integrate the newest technology.
- **Doctorally Qualified Staff.** The AACSB International (Association to Advance Collegiate Schools of Business) recently released a blue ribbon panel paper discussing concerns over keeping enough professors in classrooms. In a nutshell, nationally we are not producing enough new Ph.D.s in business to cover the increas-

## Challenges and Opportunities

continued from inside front cover

ing number of students in business schools, not even considering that the next 10 years will probably see the largest retirement of business professors in any 10-year period in history.

■ **Faculty Salaries.** New professors fresh from school with no experience command salaries greater than existing professors with up to 10 years experience in the same field. This salary inversion encourages experienced professors to seek employment elsewhere at current market rates. Then those professors must be replaced at current market rates (plus the costs associated with searching and hiring). The systemic solution is annually to move existing professors along at market rates to avoid salary compression and inversion.

■ **Increased Accountability.** Accountability is a good thing, but it is not without cost and effort. As legislators and accrediting agencies increase demands on colleges for accountability, we will have to devise and implement systems to capture, analyze, and report data, including training people and hiring specialists or consultants. The costs of accountability are significant and are not in current budgets.

### Opportunities

■ **Entrepreneurial Ventures.** Necessity being the mother of invention, these challenges will drive administrators and faculty members, particularly in colleges of business, to a more entrepreneurial mindset. New concepts will emerge and competitive juices will flow as the University of Phoenix and others penetrate a market that has been wholly owned for so many years.

■ **Greater Involvement of the Business Community.** It won't be immediately welcomed and acceptance will be slow, but senior members of the business community are likely to be invited to greater participation in higher education, particularly in business schools. They will be serving on advisory boards and providing greater real-time input into curriculum and classroom teachings.

■ **Public/Private Partnerships.** Higher education, even in business schools, is only now becoming aware that return on investment is a stronger selling point than philanthropy when approaching businesses about money. Who isn't more interested in a proposition with a return,

whether financial or psychic, than simply giving money away? An increased focus on mutually beneficial relationships is appropriate.

■ **Curriculum Revision and Integration.** Constrained resources and greater accountability will force schools to rethink priorities and focus clearly on specific, measurable results. This will lead to careful consideration of the curriculum, which is likely to be revised to provide more integrated, logical, outcome-based approaches.

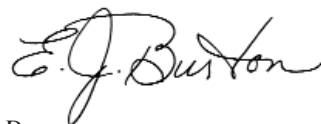
■ **Reorganization.** Universities are slow to change. The basic organization of the university has been around (and served well) for a long time. Most business schools were organized in a manner consistent with the business models of the day: functional silos. Business has departed from that model, but business schools for the most part have not. It is likely that the organizational models of the schools will be revisited and perhaps changed to reflect more current, successful corporate applications.

■ **Refocusing on Graduate Education.** Many excellent schools (such as Vanderbilt University) concentrate their efforts in some fields (such as business) entirely at the graduate level (the Owen School). Other excellent schools (such as Wake Forest University) have a separate graduate school of business (the Babcock School). It seems reasonable to hypothesize that the challenges discussed earlier might well lead many business schools, including the Jones College, to consider models such as these.

■ **Providing the Region More Convenient Service.** The Jones College at MTSU remains committed to providing the best business education possible. We believe that requires regular face-to-face, interpersonal communication not only with professors but also among classmates. We will develop, enhance, and use alternative-delivery methodologies when we are convinced they do not compromise the educational outcome. We also eagerly look forward to that time when we are allowed to provide programs and services in Davidson County to those who may feel deprived of the public educational services they want and need.

Certainly this is not an exhaustive list of either the challenges or opportunities facing colleges of business, but it is enough to think about for one article.

Sincerely,



E. James Burton, Dean  
Jennings A. Jones College of Business, MTSU



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