

Research Article

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Are You Ready to Study? Measuring Accounting Students' Understanding of Strategic Management Key Terms

Dr. Chaiyaset Promsri*

Rajamangala University of Technology Phra Nakhon, Bangkok, Thailand

Corresponding author: Dr. Chaiyaset Promsri, Rajamangala University of Technology Phra Nakhon, Bangkok, Thailand **Email:** Chaiyaset.p@rmutp.ac.th

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Abstract

The objective of this study was to investigate level of understanding of strategic management key terms among students who registered in a strategic management course. A total of 189 accounting students from 6 batches were selected to participate in this study. A newly developed instrument called “strategic management key terms” measurement was employed to evaluate students’ understanding of key terms’ meaning. This instrument consisted of 11 key terms in management, which was normally used in a strategic management course. Findings revealed that the highest-frequency key term in strategic management selected “yes” was “goal” ($f= 170, 89.9\%$). The lowest-frequency key terms in strategic management chosen “no” comprised of two words: “mission” ($f= 20, 10.6\%$) and “business ecosystem” ($f= 20, 10.6\%$). Results of this study did not support the previous findings of a similar study in which term of “strategic management” was reported as the most understood terminology.

Keywords: Strategy, Strategic management, Strategic management key terms, Accounting.

Introduction:

A company’s heart and soul of doing business is to gain a competitive advantage, which a company can outperform its rivals through the use of a low cost or superior value approach (Thompson, Peteraf, Gamble, & Strickland, 2018). To achieve a competitive advantage and a long-term success, a company or a business needs to have strategic management (LaMarco, 2018). For strategic management to be successful, managers need to have sufficient knowledge and understanding of how to craft and execute strategies for their organizations’ benefits and accomplishments.

Strategic management requires basic understanding and essential skills to move from business environment assessment analysis to effective business strategy. These skills can be improved and developed through the study in a business school. In fact, all business schools normally provide a “strategic management” course to students as a capstone course in which previous knowledge learning accumulated in business is integrated and applied to practice

(Jordan, 2017). The main purpose of strategic management course is to help enhance learners' understanding of the critical techniques and skills to ascertain and implement strategies productively (Hill & Jones, 2012).

As the business's world has dramatically changed in past years, a business environment is reasonably different and more complex than a last decade (David, 2013). To assist students effectively learn how to strategically manage in a real business world, concepts of utilizing new tools and techniques need to be added (Anna, 2015). However, the basic knowledge of strategic management is a vital key to successfully understand how to use and apply those tools and techniques in order to reach exceptional organizational performance.

Although business students are required to take a strategic management course as part of their program curriculum, some students in different majors might not have sufficient knowledge to study in this capstone course. The study of Promsri (2019b) demonstrated a poor level of understanding of strategic management key terms among accounting students. This issue disclosed that not all business students really had enough knowledge and understanding in strategic management terminology though they should have learned or heard about these key terms in other prerequisite courses prior to taking a strategic management course. The measurement on students' understanding of meaning in these key terms is very useful for the instructor's preparation for their class. As a result, this present study aimed at investigating students' understanding of meaning in strategic management key terms.

Literature Reviews:

According to literature reviews, there were a few studies put efforts to investigate knowledge and understanding of students in terms of key terms in a specific subject. Past studies attempted to explore the understanding of meaning in management areas among college students, which demonstrated interesting findings and enhanced a body of knowledge in this field.

Promsri (2019a) conducted a study to measure terminology proficiency in management among 29 international students who studied in international business program. Students from three countries (Thai, Chinese, and Bhutanese) were participants in this study.

A newly developed worksheet called "key terms in management", which comprised of 34 basic words was employed to evaluate students' understanding of basic words in management. Findings showed that "planning" was the most understood key term while "conceptual skills" was the least understood management terminology. In addition, a similar study of Promsri (2019b) was done to investigate students' understanding of strategic management key terms. One-hundred and ten accounting students were selected to participate in this study as part of their strategic management course. A new worksheet called "strategic management key terms" was developed and utilized for evaluating students' understanding in strategic management terminology. This document consisted of 40 key terms in strategic management, which were normally used in strategic management course. Results indicated that only one key term was rated in a good level, which was "strategic management" while 35 key terms were reported as a poor level of understanding among accounting students. Although this study included basic vocabularies in strategic management for knowledge measurement among students, the number of key terms were apparently seen too many for a starter or a student who just enrolled to study in strategic management course. Thus, this present study attempted to decrease the number of terminology in strategic management as little as possible to measure students' knowledge and understanding in very basic strategic management key terms.

Methodology:

This study was a descriptive study. A total of 189 students in accounting program were selected to participate in this study as part of their strategic management course preparation. A self-reported document including key terms in strategic management was newly developed and distributed to all students in 6 batches. In this document, 11 key terms in strategic management were listed in Thai language including "strategy", "strategic management", "strategic planning", "goal", "vision", "mission", "core value", "organization performance", "business environment", "competitive advantage",

and “business ecosystem”.Promsri (2019b) recommended developing a new instrument to evaluate the understanding of terminology in Thai version. Students were inquired to fill out these technical terms in English based on their previous knowledge without searching for the answers from the Internet. In addition, they were asked to evaluate themselves whether or not they understood the meaning or definition of each word. If so, they needed to check “√” on the “Yes” column. On the other hand, if they didn’t understand that word, they were required to check “X” on the “No” column. To evaluate students’ level of understanding of these strategic management key terms, frequency and percentage were calculated. To categorize levels of understanding of strategic management key terms, this present study modified four categories of understanding levels of strategic management terminology ranging from poor (below 59% of choosing “yes”) to excellent (80% up) developed by Promsri (2019b) to five categories ranging from very poor (below 50%) to excellent (80% and above).

Results:

Participants in this study consisted of 26 male students (13.8%) and 163 female students (86.2%). Table 1 displayed frequency and percentage of 11 key terms in strategic management. The highest frequency key termin strategic management selected “yes” was “goal” ($f= 170, 89.9\%$). The lowest frequency key terms in strategic management chosen “no” had two words, which were “mission” ($f= 20, 10.6\%$) and “business ecosystem” ($f= 20, 10.6\%$).

Table 1: Frequency and Percentage for Key Terms in Strategic Management (n=189)

Key Terms	Yes		No	
	f	%	f	%
Strategy	117	61.9	72	38.1
Strategic Management	50	26.5	139	73.5
Strategic Planning	56	29.6	133	70.4
Goal	170	89.9	19	10.1
Vision	124	65.6	65	34.4
Mission	20	10.6	169	89.4
Core Value	66	34.9	123	65.1
Organizational Performance	103	54.5	86	45.5
Business Environment	91	48.1	98	51.9
Competitive Advantage	93	49.2	96	50.8
Business Ecosystem	20	10.6	169	89.4

Table 2 exhibited levels of understanding of meaning in basic strategic management terminology. Levels of understanding were categorized into five distinctive levels: excellent, good, fair, poor, and very poor. Results showed that this group of accounting students had understood only one word in the excellent level, which was “goal”. No word was understood in a good level. Two key terms in strategic management were reported in a fair level, which included “strategy” (61.9%) and “vision” (65.6%). Only one word was fallen into a poor level category, which was “organizational performance” (54.4%). The rest of strategic management key terms were categorized into a very poor level.

Table 2: Levels of Understanding of Strategic Management Key Terms

Category	Number of Key Terms	Key Terms
Excellent (80% and Above of Selecting “Yes”)	1	Goal
Good (70-79%)	—	—
Fair (60-69%)	2	Strategy, Vision
Poor	1	Organizational Performance

(50-59%)		
Very Poor (Below 50%)	7	Strategic Management Strategic Planning Mission Core Value Business Environment Competitive Advantage Business Ecosystem

Conclusion, Discussions & Recommendations

This study aimed at measuring level of understanding of strategic management key terms among accounting students. Data were collected from six groups of accounting students who had taken a “strategic management” course with a researcher in the first semester of 2019 academic year. Findings of this study was not consistent with the work of Promsri (2019b), which accounting students rated “strategic management” as the most understood key term in this subject though they had not had a chance to study in this course at all. This terminology was fallen into a good level in his work, but in this present study, this key term was come under a very poor level. Even though these students were totally a new student in this course, several key terms used for measurement in this study should have been previously mentioned or defined in other relevant subjects and courses. This can be implied that accounting students ignored these key terms while taking another course as they were not the main ideas or concepts in that subject. The reasonable explanation of this phenomenon was the instructors who did not carefully link these key terms as the major concepts of management and business to their subject. These findings are very beneficial for the university to use as the idea to develop the preparation course for business students in which these key terms will be included and taught properly prior to taking advanced courses in business. In addition, the university can take this opportunity to encourage professors and instructors to create business and management dictionary for students in the e-book format to help students easily learn these terminologies before taking relevant courses. One of major weaknesses of this study was a questionnaire. As the document used for data collection was a self-reported questionnaire, respondents might answer in the sense that they understood those words in spite of the real understanding of those terms’ meaning at all. Another weakness of this study was the number of key terms used to evaluate students’ understanding. This study limited the key terms in strategic management to only 11 words, which might not be sufficient to demonstrate the knowledge of students in this subject. The next study should increase additional key terms for evaluation.

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