

**PROPOSING INSTITUTION:**

The University of South Carolina Aiken

**PROGRAM TITLE:**

Liberal Arts Master of Business Administration (with STEM option)

**DATE OF SUBMISSION:**

September 15, 2012

**SIGNATURE OF CHIEF EXECUTIVE OFFICER:**

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Dr. Harris Pastides, President  
University of South Carolina

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Date

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Dr. Sandra J. Jordan, Chancellor  
University of South Carolina Aiken

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Date

**PROGRAM CONTACT NAME AND INFORMATION:**

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## **PROGRAM PLANNING SUMMARY**

### **PROGRAM TITLE:**

Liberal Arts Master of Business Administration (with STEM option)

### **CLASSIFICATION**

The proposed program is a Liberal Arts Master of Business Administration (LMBA), a graduate business degree specifically designed for those students who did not earn an undergraduate business degree. Students with an undergraduate business degree will not be admitted into the program. There will be an LMBA-STEM option consisting of certain required courses which are tailored for STEM (science, technology, engineering, mathematics) majors. The proposed date of implementation is Fall 2014. As a post-baccalaureate degree, this program does not qualify for supplemental Palmetto Fellows or LIFE Scholarship awards. The delivery mode is traditional face-to-face instruction during the evening or weekends, supplemented by some online resources (Internet broadcast and video capture).

### **JUSTIFICATION**

Traditional MBA programs are widely available these days in face-to-face, online and hybrid delivery formats. These traditional MBA programs target both those with undergraduate business degrees and those who hold non-business degrees. However, non-business degree graduates are first required to take certain “leveling” or “foundation” business courses to bring them up to the same knowledge level as their classmates who hold business degrees. There are several such MBA programs offered by public and private universities in South Carolina, but none of them are specifically designed for Liberal Arts or STEM majors. USC Columbia does offer the Professional MBA (PMBA) in the Aiken area via online instruction and the use of Cisco/Polycom telepresencing equipment, and this traditional MBA program is appropriate for many local students who have earned undergraduate business degrees.

Lately there has been an increase in the number of MBA programs designed for students without an undergraduate business degree. Georgia College and State University (GCSU) has developed a lockstep, full-time Liberal Arts MBA program designed exclusively for any non-business degree graduate, while the University of Alabama has recently announced a concurrent STEM path to the MBA for engineering undergraduates. These types of innovative new programs demonstrate the increased demand for graduate education in business and leadership skills for non-business graduates.

Recent discussions with companies such as Savannah River Nuclear Solutions, Savannah River National Laboratory, and Bridgestone have identified a need for similar programs in the greater Aiken area. As a result, USC Aiken (USCA) is proposing a non-traditional, Liberal Arts MBA program for non-business graduates that can meet the specific needs of South Carolina citizens in its service region. Local businesses helped USC Aiken to shape the content of this proposed Liberal Arts MBA, and have expressed considerable excitement about the creation of a degree that will, in the case of the STEM focus, help address their anticipated needs as management retires out of their industries creating a need for current engineers, technology specialists, and researchers to gain the managerial and leadership skills to assume the responsibilities of upper management.

This LMBA program will not only meet the needs of the STEM professionals employed in the region, but will also meet the needs of many USCA Liberal Arts majors who want to obtain a graduate business degree without leaving the Aiken area. Both STEM and Liberal Arts majors wish to gain an understanding of the traditional business fields such as accounting, finance, management, and marketing, along with valuable skills in leadership, executive communications, human resources, and ethics which are important for successful business leaders or entrepreneurs. As a regional, comprehensive senior university, USCA is expected to provide a quality undergraduate education as well as an array of graduate programs that meet the specific needs of citizens in its region. Other regional, comprehensive state universities in South Carolina offer an average of 13 graduate degrees in their region, while USCA offers only two masters degrees, suggesting that there is ample room for additional graduate programs in its region.

There are no other graduate programs offered by USCA that are related to this proposed program. Faculty of the School of Business Administration (SOBA) at USCA will teach in both its undergraduate business program and the LMBA program, and the SOBA Dean's Office will administer the program. While there are no other graduate programs like this in the state, we understand that an institution on the state line in Georgia is interested in offering a STEM MBA. Potentially, this would pull students and members of the business community in South Carolina to the state of Georgia to earn this degree.

### **PROGRAM DEMAND AND PRODUCTIVITY**

There are thousands of highly-trained STEM professionals working at the nearby Savannah River Site (SRS) and other nearby manufacturing facilities who live in the five-county area surrounding Aiken. There are also about 375 non-business undergraduate degrees awarded by USCA every year, almost 250 of which are STEM or Liberal Arts majors. USCA has commissioned a market study by the Carnegie Group in order to quantify the potential interest in the LMBA and LMBA-STEM option; that data will not be available until early November 2012. In the meantime, based on the size of the potential market and observed enrollment in other similar MBA programs outside South Carolina that cater to non-business majors (e.g., Liberal Arts MBA, STEM MBA, Health Care MBA, etc.), initial enrollment is conservatively estimated to be approximately 20 students in 2014-15. The LMBA program would expect to grow each year by about 5 students (less some attrition) to reach a total of about 35 by the fourth year (2017-18). With a 36 hour curriculum (see below), students could earn the LMBA (with or without the STEM option) within 2 years by taking 6 hours (2 courses) per semester (fall, spring, summer). Depending on how many courses students take per year, this would suggest an annual completion number of about 17 by the fourth year. These are very conservative estimates; the actual numbers could be significantly higher, given the large number of STEM professionals in the area and the regular production of non-business graduates in the region.

### **EMPLOYMENT OPPORTUNITIES FOR GRADUATES**

The Carnegie study mentioned above provides additional quantifiable data on future employment opportunities for graduates from the LMBA program. It is expected that many of the LMBA-STEM option graduates will remain with their current employers over the near term, or perhaps transfer to a similar organization in the same industry. However, a recent news article (<http://www.usnews.com/news/blogs/stem-education/2012/02/15/more-engineers-starting-businesses>) found that engineers were just as likely as MBA's to start a new small business. This suggests that a number of those who complete the LMBA-STEM option may become entrepreneurs in a STEM-related field, which could play an important role in the continued economic development of the region.

## CURRICULUM

Unlike traditional MBA programs that target business majors and require non-business majors to take numerous “leveling” courses that can take up to a year to complete, the proposed LMBA will not accept business majors into the program and therefore no “leveling” classes will be required. The curriculum is designed to directly provide non-business graduates with the necessary background in lower-level business topics as they proceed through the program and progress to more advanced business topics. The LMBA-STEM option allows a different path for those students with stronger quantitative backgrounds who are more interested in the management skills often used in industrial settings.

### **LMBA Curriculum (all courses are 3 semester hours):**

ECO 601 - Economics for Managers	ACC 602 - Financial Accounting
MKT 603 - Marketing Management	MGT 604 - Leadership/Team Development
BUS 605 - Quantitative Tools for Business Analysis	BUS 615 - Executive Communication, Negotiation & Conflict Management
FIN 616 - Financial Analysis for Decision Making	MGT 618 - Human Resources Management
MGT 620 - Legal and Ethical Environment of Business	BUS 621 - Globalization and Business
BUS 660 - Business Planning and Strategy (capstone)	MGT 629 - Information Systems Strategy

**LMBA-STEM Option:** (same as above except as noted below)

MGT 617 - Supply Chain Management (*in lieu of BUS 605*)  
BUS 649 - Program & Project Management I (*in lieu of MGT 629*)  
BUS 650 - Program & Project Management II (*capstone in lieu of BUS 660*)

## **ARTICULATION AND INTER-INSTITUTIONAL COOPERATION**

The unique nature of the LMBA and LMBA-STEM, which are designed for a wide variety of non-business majors, should not require any articulation agreements. USCA will have sufficient resources to provide the LMBA and LMBA-STEM in the Aiken region without the need for any inter-institutional cooperation.

## **ESTIMATES OF COSTS**

In order to meet the higher standards set by AACSB for a graduate program, a full-time instructor position in accounting that will become vacant in 2013-14 due to retirement will be filled with a tenure-track, terminally-qualified faculty member. One full-time business faculty line will be added in 2014-15, and a second full-time business faculty line will be added in 2015-16. The program will be administered by the SOBA with existing staff. Total estimated annual costs, including additional program marketing and faculty development expenses, are \$67,250 for 2013-14, rising to \$185,700 in 2014-15 and \$310,170 in 2015-16. Based on initial discussions, we anticipate some industry support in the form of tuition assistance for employees and/or direct donations in support of program expenses; there may also be some initial investment support from the USC System.

Using current graduate tuition rates, the LMBA and LMBA-STEM would generate approximately \$160,000 in tuition in the first year (20 students taking 6 hours per semester during each of the 3 semesters (fall, spring, summer). With rising student demand and expected annual growth in tuition rates of 3 percent per year, annual revenues would exceed annual expenses by the fifth year of the program. If USCA were to charge a differential tuition for graduate business classes, as many business schools do, annual revenues would grow faster and program break-even would come earlier.