I. INTRODUCTION

This document outlines the academic plan for The Belk College of Business Administration at UNC Charlotte for the 2004-2009 planning horizon. It describes the College’s evolving mission and its vision, and identifies five major objectives for the planning period. It also specifies activities that provide for the assessment and continuous improvement of the College’s activities and objectives.

The Belk College of Business Administration is one of seven Colleges on the UNC Charlotte campus. It has graduated approximately 13,000 students in its history and has a current enrollment in its academic programs of approximately 3,600 students. It offers three degrees at the baccalaureate level and three degrees at the masters level. In addition it participates in a joint doctoral program with the College of Information Technology.

The College achieved initial accreditation by the American Assembly of Collegiate Schools of Business in 1983. Upon earning that recognition, the next major step in the strategic evolution of the College was to expand from a three-department structure (Accounting, Economics, and Business Administration) to the six-department structure of today. The purpose of this restructuring was to focus attention at the functional level of business and to promote the development of expanded course work and programs in areas such as banking, human resource management, small business and entrepreneurship, international business, and management information systems. During this period, Dean Richard Neel developed a business advisory council of senior executives in the Charlotte region and forged relationships between the College and the business community. Among these initiatives was the planning of the Center for Banking Studies. Under his leadership from 1978 until 1993 the faculty size doubled, and the College became recognized as a major regional business school.

After reaccreditation in 1992, the College investigated opportunities for academic offerings, research initiatives, and continuing education programs. New initiatives since 1993 have included a Business Honors Program, a finance track in the Masters of Science program in Economics, the Masters of Accountancy program, concentrations in the MBA program, the MBA Plus program, and minors in Marketing and Management Information Systems. A Risk Management and Insurance concentration was implemented in 1997. The joint Ph.D. program in Information Technology accepted its first students in Fall, 1998. The College participates in the Masters of Health Administration program and the Masters of Engineering Management program.

In 1998, Dr. Claude Lilly was appointed to a two-year term as Interim Dean of The Belk College. In 2000, Dr. Lilly was appointed permanent dean. Since 1998, the College has increased its endowment for faculty development through gifts to the College, established a concentration in E-Business and a concentration in Real Estate in the MBA program, initiated development of the Real Estate Finance and Development Program, and worked with the University of North Carolina at Chapel Hill and the Charlotte Chamber to develop the Financial Services Exchange. A major focus of activity during the period has been to gain national recognition for the College of Business, particularly in the area of research. The College has also sought regional recognition for its MBA program. In April 2002, the College received reaffirmation of its accreditation by AACSB International.
II. THE PLANNING PROCESS

The Belk College of Business Administration’s Academic Plan has as its foundation the College Mission and Objectives statement approved by the Faculty in Spring 1999, themes developed by Academic Affairs to guide the 2004-2005 planning process and the academic plans prepared by the Departments in anticipation of the 2004-2009 planning horizon.

The planning process in the College strives to bring together the demands, expectations, and opportunities provided by the external environment and the resources, desires, and faculty capabilities within the unit. The planning process within the College is both a top-down and bottom-up process. The senior leadership within the College has the responsibility for establishing broad objectives for the College, and this has been accomplished through a continuing dialogue between the Department Chairs and the Dean’s Office. During the Spring of 2002, broad objectives were created and discussed in the College’s Executive Committee. The College’s senior leadership established assumptions about the environment in which the College would function over the five years included in the planning period.

Department Chairs were then asked to develop plans that outlined the aspirations of the department and that contributed to the broad objectives established for the College. These plans were reviewed and discussed with the Chairs and additional drafts prepared. This iterative process resulted in unit plans that provided foundation for the College’s 2004-2009 Academic Plan.
III. KEY ASSUMPTIONS GUIDING THE PLANNING PROCESS

The following assumptions were developed to guide the College’s planning process:

1. To help the University fill its regional role and to better serve the region, The Belk College of Business must begin serious consideration of how to provide doctoral level education during the first decade of the twenty-first century. This initiative is based upon an assumption that the State and the University are prepared to provide resources to those campus programs that can demonstrate a market need and potential for doctoral education. The challenge will be to maintain quality education at both the undergraduate and graduate levels, while expanding capabilities in each of these areas. This will require effective planning and the development of efficiencies in the Belk College.

2. The College will continue its role in providing high quality Master’s degree programs. There is competition for “part-time” evening MBA students from other local institutions and the Belk College will continue to target the most qualified students seeking a part-time program. The majority of new resources to enter the College will be dedicated to providing this region with a top quality MBA program, comparable to that of a ranked “Top-Fifty” program, at a competitive price. In addition to Wake Forest University, we can expect interest in the Charlotte community from other nationally ranked programs because of the attractiveness of this market and the demand for high quality MBA programs. For-profit universities will also show an increased interest. At the same time, no major competition is expected for the Master’s of Accountancy program or the Master’s of Science in Economics program at this time.

3. The College will continue to be the enrollment target for a large number of undergraduate students and the College will ensure that its undergraduate programs will be of very high quality.

4. The global economy will place increasing expectations upon the College to provide academic programs at the undergraduate and graduate level that reflect international business practices.

5. Undergraduate enrollment in the College will be aggressively managed. Additional efforts will be made in Spring 2003 to reduce enrollment to allow the College to provide a better educational environment for its students and to provide adequate faculty resources for its graduate programs.

6. Saturday and evening programming will continue to be important to the College in its efforts to meet the educational needs of this region. More focus must be placed on evening scheduling and creating community awareness of evening and Saturday programming.

7. Technology will play a critical role in improving the educational delivery system. It is assumed that technology will be used to supplement teaching efforts and to improve efficiency in educating students.
8. Any new funds for the College will come from University enrollment increase (EI) funds and from development funds. Development funds primarily will be used to strengthen programs. Specifically, development funds will be used for faculty development. Of particular concern will be the ability of the College to develop and improve its graduate programming. It is clear that new resources will be used to improve the MBA program.
IV. MISSION AND VISION

Planning in the Belk College is guided by its mission statement. The statement is reviewed periodically by the appropriate College committee. The College faculty, the College administration, the College’s Business Advisory Council, and the Department Visiting Committees review proposed changes in the mission statement. Changes are presented to the College faculty for approval. The Mission Statement was last reviewed and revised in Spring 1999. The statement appears below.

02-25-94 Approved by the Faculty
12-01-95 Amended and Approved
4-28-99 Revised and Approved

THE BELK COLLEGE OF BUSINESS ADMINISTRATION
MISSION AND OBJECTIVES STATEMENT

The Belk College of Business Administration serves the people of the Charlotte region and the State of North Carolina, as well as selected national and international communities. The College serves these constituents through the delivery of undergraduate and graduate programs in business administration and related interdisciplinary fields and through the development and dissemination of new knowledge. Through continuous improvement, the College seeks to maintain high standards in its programs and its intellectual contributions. In carrying out its mission, the College is committed to maintaining diversity within the faculty and student body.

To accomplish its mission, the faculty of the College engages in three major activities: teaching, intellectual contributions, and public service. The College believes that scholarship informs teaching and, therefore, the College emphasizes both teaching and intellectual contributions. The College values the work of the faculty in the discovery of new knowledge through basic research and its practical applications. The College’s commitment to excellence in teaching ensures that the scholarship of teaching through instructional development is recognized as an important form of intellectual contribution. Faculty engage in a third activity of public service through outreach programs, applied scholarship, and other activities that promote the economic health and the development of the region.

In support of this mission the College has the following strategic objectives:

- To provide and support undergraduate education through a broad range of programs in business administration that are excellent in quality, current in curricula, and relevant to business practice,

- To provide and support graduate programs of distinction that serve the needs of the
community, meet the demands of the student population, utilize the expertise of the faculty, and support the University mission,

- To encourage and support the faculty in areas of basic research, applied research, and instructional development and in their efforts to secure funding for intellectual contributions,

- To develop and maintain research programs of distinction that support the economic competitiveness and the development of the greater Charlotte metropolitan region, and state,

- To meet the needs of the community for the continued development of leadership, management, and technical skills in business and other organizations through executive education and other outreach programs, and

- To develop and maintain lifelong partnerships with the alumni of the College.

In addition to the “Statement of Mission and Objectives”, the Colleges vision provides guidance to the establishment of goals for the planning period. The College’s vision includes the following aspirations:

- To provide this region with an MBA program that is nationally ranked with emphasis in the areas of eCommerce, financial services, international studies and real estate finance and development,

- To be recognized as the best undergraduate degree program in business in the region, with particular recognition for the competence of its graduates in the use of technology to assist in the solution of problems in the areas of Accounting, Economics, Management, Finance, Information Systems, Marketing, and International Business,

- To be recognized as the provider of outstanding academic programs in the area of Financial Services at the bachelor, masters, and doctoral levels and to be recognized nationally and internationally for research in the Financial Services area,

- To be recognized as the provider of outstanding undergraduate education in the area of Management Information Systems,

- To be recognized as the provider of outstanding undergraduate and graduate programs in Accounting,

- To participate, in conjunction with other Colleges in the University in the development and delivery of advanced degree programs to prepare graduate students for careers in technology management and research,
• To build strong relationships with other universities in the UNC System,

• To maximize the use of technology to deliver education to graduate and undergraduate students, and

To realize this vision, the College must:

• Ensure the continuing improvement of the College faculty through professional development programs designed to prepare existing faculty for the challenges ahead,

• Recruit new faculty that can contribute to those disciplines where existing faculty resources are insufficient,

• Continue to develop those relationships within the Charlotte community that will support the educational program objectives of the College,

• Increase the output for applied, basic, and instructional development research, and

• Marshall the financial resources necessary to support the faculty, staff, facilities, and technology required (this would include but not be limited raising funds to support critical programs).
V. OBJECTIVES FOR THE 2002-2007 PLANNING HORIZON

The objectives proposed for The Belk College of Business Administration to be accomplished during the 2004-2009 planning horizon are guided by the College's "Statement of Mission and Objectives," by its evolving vision, and by the aspirations of the faculty and departments of the College. The objectives are summarized below. An elaboration of each objective follows.

1. The College will establish a Ph.D. in Business Administration.

2. The College will gain national recognition of its part-time MBA program.

3. The College will continuously improve the quality of its undergraduate academic programs and be recognized by regional employers as an outstanding source for graduates of business administration.

4. The College will increase its international emphasis at both the undergraduate and graduate levels.

5. The College will work to develop a major venture capital program in conjunction with the Financial Services Exchange.

Goal 1: The College will establish a Ph.D. in Business Administration.

Objective: The College will offer a Ph.D. program in Business Administration with a major in Finance by Fall 2006. (See Appendix: “Request for Authorization to Plan a New Doctoral or First Professional Degree Program”).

Actions:

- The College will submit an “Authorization to Implement” request in 2004-2005.
- Recruit and hire two new Assistant Professors in Finance by Fall 2005.
- Recruit and hire one new Lecturer in Finance by Fall 2005.

Objective: Add additional majors to the Ph.D. in Business Administration after the Ph.D. in Business Administration with a major in Finance is operational.
Actions:

- Determine the viability of a major in Operations Management with a research emphasis in Supply Chain Management.

- If viable, prepare to offer a Ph.D. in Business Administration with a major in Operations Management/Supply Chain Management by 2009.

- Recruit and hire two new Assistant Professors in Services Operations Management and in Global Supply Chain Management by Fall 2007.

**Goal 2: The College will gain national recognition of its part-time MBA program.**

Objective: The College will receive a Top 50 ranking of its part-time MBA program before 2009.

Actions:

- Introduce a Strategic Leadership concentration into the MBA curriculum by 2006 and establish a Center for Strategic Leadership and Organizational Development in the Department of Management. The Center will add strength to the Strategic Leadership concentration. (See Appendix: “Center for Strategic Leadership and Organizational Development.”)

- Introduce a Management of Technology concentration into the curriculum by 2007.

- Introduce an International Business concentration into the MBA curriculum by 2005.

- Introduce a Supply Chain Management Concentration into the MBA curriculum by 2005.

- Add courses in Services Marketing and Consumer Behavior as electives for the Marketing concentration by Fall 2005.

- Explore the use of “Clinical” Faculty in the Undergraduate program to free up teaching resources in the MBA program. (Clinical faculty would hold Ph.D. degrees in their teaching field and would work on three-year renewable contracts. These faculty members would not have research expectations and would have teaching loads that would be twice that of a standard tenure track faculty member).

- Review and update the Financial Management and the Financial Institutions/Commercial Banking concentrations and increase the frequency with which
the courses are taught.

- Continue to raise GMAT admission requirements to the program, while maintaining a program size of between 375 to 400 students.

- Increase marketing of the program.
  
  - Continue to develop outstanding print material describing the program.
  - Advertise on radio and in print media.
  - Network with other business schools nationally to increase name recognition and to promote the program to outstanding students.

- Add sufficient staff to the MBA program to allow the Director to spend time working with regional employers to recruit top quality students to the program. (If not accomplished by 2004, hire an Associate Director of the MBA program to manage the admission process and to advise students).

- Increase MBA alumni participation in student recruitment and placement.

- Increase faculty networking with area businesses with the objective of encouraging decision makers to send their best students to the Belk College MBA program.

- Increase MBA student participation in community service projects.

- Raise funds to create a significant endowment for the program to support improvements in the program.

**GOAL 3: THE COLLEGE WILL CONTINUOUSLY IMPROVE THE QUALITY OF ITS UNDERGRADUATE ACADEMIC PROGRAMS AND BE RECOGNIZED BY REGIONAL EMPLOYERS AS AN OUTSTANDING SOURCE FOR GRADUATES OF BUSINESS ADMINISTRATION.**

Objective: Improve the quality of the Undergraduate programs

Actions:

- Effectively manage enrollment in the College’s undergraduate programs.

- Continue to use assessment to improve the core curriculum in the College.

- Review and update the curriculum in the B.A. of Economics degree.
• Implement the changes in the undergraduate Finance major and concentrations that will be determined during the review of the curriculum conducted during 2003-2004. The changes will be in place by Fall 2005.

• Increase availability of coursework to support the Human Resource Management concentration.

• Revise or replace the General Management concentration in the Management major.

• Increase the percentage of courses taught by full-time faculty in the Entrepreneurship option.

Goal 4: The College will increase its international emphasis at both the undergraduate and graduate levels.

Objective: The College will introduce an International MBA program to support the region’s needs for advanced education in global management issues by 2004.

Actions:

• Seek faculty development funds for international programs and course development.

• Identify business school partners in other countries for a possible joint program.

• Design a curriculum for an International MBA with international partners.

• Design an economic model that makes such a program feasible. It would be necessary for the program to be self-supporting.

• Build a facility for international business students that would serve as both a residence hall and instructional facility.

Objective: Improve involvement of all undergraduate majors in international business through revised curricula, study abroad and internship programs.
Actions:

- In 2004-2005, appoint a task force to review the international component contained in each of the undergraduate majors.
- Make opportunities for study abroad programs more accessible to students by increasing awareness.
- Make contacts with new international business programs.
- Identify domestic and international employers seeking interns for projects in international business.

**Goal 5: The College will work to develop a major venture capital program in conjunction with the Financial Services Exchange.**

Objective:

Actions:

- Sponsor Five-Ventures seminars.
- Expand venture capital activities within the Financial Services Exchange by working with venture capital firms.
- Develop relationship between Financial Services Exchange and Ben Craig Center through venture capital projects.

**VI. Student Outcomes**

See Department Plans.

**VII. Planning Elements**

A. Trend of Increased Enrollments

The Belk College is currently facing an over-enrollment problem. Since 1993, undergraduate enrollment in the College has increased from approximately 2350 students to 3200. During that same time, faculty resources, net of the Dean and Associate Dean have increased from 82 faculty to 85 faculty. The impact upon the College’s programs have included (1) an inability to staff critical courses in the MBA program, (2) an inability to add
contemporary concentrations in the MBA program, (3) difficulty in providing enough electives for students in undergraduate majors, (4) an over-reliance on part-time faculty in some disciplines, and (5) an inability for faculty to achieve the College’s research goals. During its recent reaffirmation of accreditation visit, the visiting team indicated a need to better align faculty resources with student enrollment. While the College was reaffirmed, we are required to report on our progress on this issue in January, 2005.

Currently the College manages its undergraduate enrollment through progression requirements at the end of the sophomore year. Students must achieve a satisfactory average in six predictor classes before being admitted to an upper division major. This process is difficult to administer and has the disadvantage of inadequately screening transfer students. The College plans to further reduce its enrollment by increasing the minimum GPA required for admission to the College by on and off-campus students seeking transfer enrollment into the College. Further, students already in the College will be required to have that same GPA when applying for admission to upper division majors.

B. Distance Education

The College is experimenting with offering some MBA courses on-line. Currently we must limit the number of courses offered because of the increase demands it places on limited faculty resources.

As the College designs its International MBA program, it is possible that distance education will become an important component of this program. One model under consideration will involve a joint program between UNC Charlotte and at least two international partners. Distance education, in some form, may be used to link students from multiple countries, for some courses.

C. Outreach and Engagement

The College will provide faculty for continuing education programs, particularly to meet the needs for annual certification requirements of various business and accounting professionals.

Faculty are encouraged to engage practitioners in the region, through consulting and applied research. Relationships with TIAA-CREF, Logitech, and the Financial Services Exchange are examples of outreach and engagement.
D. General Education

In addition to providing writing intensive courses for its majors, the College will continue to offer ECON 1101, Economics for Non-majors, and ECON 2101, Principles of Macroeconomics to the University population as courses satisfying General Education Requirements.

E. Research and Creative Activity

The College seeks national recognition of its faculty for their intellectual contributions. In 1999, the College revised its mission statement to indicate that it places equal emphasis upon its instructional and scholarship missions.

The College values three forms of intellectual contributions: basic, applied, and instructional development. While the boundary between basic and applied research in the business disciplines is often blurred, the College seeks to maintain a balance between these two forms of contributions. Roughly forty percent of the College’s research output is targeted toward each of these forms. The College seeks to have approximately twenty percent of its scholarship in the form of instructional development and pedagogical effectiveness.

The College maintains a research grant program that provides funding for many research projects. Through Childress Klein Research awards and Johnson teaching grants, as many as twelve faculty receive grants of up to $5,000 annually. Additional grants from the Wachovia and Barclays endowments are made each year. The College pursues its objective of earning national recognition for its research in at least two ways. First, through the University Development process, the College seeks to grow its endowment funds to support faculty development. Faculty development funds support summer research grants, faculty travel to professional conferences, faculty tuition in professional development programs, and the purchase of databases. The second way in which the College is developing its national reputation for scholarship is through the recruitment of talented young faculty who are earning degrees from top research institutions.

By 2005 the College will reactivate its Center for Financial Services. The primary purpose of this Center will be to conduct basic and applied research in three major areas of Financial Services: banking, insurance and risk management, and real estate and commercial development. A plan is underway for external funding that would provide staff support and seed funding for research. The necessary faculty resources are already in place to provide a critical mass of in-house scholars for the Center. The Center will provide a vehicle for research conducted by doctoral students once the Ph.D. in Business Administration with a Major in Finance is operational.

The College will request authorization to establish a Center for Strategic Leadership and Organizational Development. The Center would address issues vital to conducting business
in the 21st century. Attention would be directed to skills that differentiate successful leaders such as decision-making, negotiation, conflict management, creativity and innovation, organizational politics, and personal career development.

The College is planning to restore its Center for Business and Economic Research. This research center would focus on issues related to Economic Forecasting, applied research for local government agencies, and would also administer the College’s external grants programs. External funding will be sought for this Center, particularly to support statewide and regional economic forecasting.

F. Internationalization

The College’s plans with regard to internationalization are contained in Section V of this plan.

G. Information Technology

The College makes extensive use of computer-assisted instruction. Programs in Management Information Technology, at the undergraduate, Master’s and Doctoral levels, by their nature require access to information technologies. However, information management is inherent to all disciplines in the College of Business Administration. Thus, increasing faculty and student access to information technologies is an ongoing process in the College.

Historically, the College has relied upon lapsed salary resources to provide these technologies in faculty and staff offices. Student lab fees have provided the necessary computers in the College’s student facilities. The College has partnered with Computing Services to provide building wiring and hardware infrastructure. Again, these resources have come from lapsed faculty salaries.

The College’s plan has been to equip two classrooms per year at a cost of $30,000 per classroom. As indicated above, lapsed salary resources have provided the funding for these classrooms during the past several years. The current economic environment has severely limited the availability of resources in the College. As a result, the College was unable to complete construction on two master classrooms in Spring 2002. It is unlikely that resources will be available in Spring 2003 to resume these projects.

Faculty computers are currently adequate. The College has attempted to maintain a four-year replacement cycle on faculty computers. It is unlikely that the College will replace any computers during Spring 2003, and that will create a backlog in the replacement cycle. In the near term, the College will be limited to providing new computers to new additions to the faculty. Those computers may likely be funded from limited discretionary and faculty development funds.

During the 2004-2009 planning horizon the College will face the challenge of finding a source of funding to continue its information technology expansion. A return of economic
sufficiency may restore lapsed salary resources to the College. Student fees may be increased to fund master classrooms. Corporate sponsors may be interested in “naming” classrooms. However, all of these possibilities remain uncertain at this time.

With regard to its MBA program, the College anticipates that it will move to a wireless laptop environment by 2005, or as soon after Fall 2004 that resources will permit. The Friday Building is partially equipped for wireless transmission. Several common areas in the building are already equipped for wireless communication. Classrooms in the building will need additional hardware for this purpose.

Perhaps the College’s most important technology resource is its two computer consultants. The College has over 100 faculty and staff computers deployed throughout the Friday Building. In addition the College maintains eight permanently installed electronic classrooms. The classrooms approach 100% utilization each semester. A number of file servers support faculty and student computing in the College. The functioning of the equipment in offices and in classrooms is central to the College’s mission. A master classroom that becomes dysfunctional during a class jeopardizes the delivery of the curriculum, not only for that class, but for the classes that follow. Computer consultants must be available within minutes and be intimately familiar with the equipment to minimize lost instructional time. Likewise, faculty and staff computers that develop problems require quick repair in order to maintain faculty and staff productivity.

As equipment ages, these issues will become even more critical. The College considers it to be absolutely essential that computer consultants that are familiar with College equipment and methodologies, as well as with faculty and staff needs, be available within the College and under the supervision of College administrators.
Appendix

THE UNIVERSITY OF NORTH CAROLINA
Request for Authorization to Plan a New Doctoral or First Professional Degree Program

Date: October 29, 2002

THE PURPOSE OF ACADEMIC PLANNING: Planning a new academic degree program provides an opportunity for an institution to make the case for need and demand and for its ability to offer a quality program. Authorization to plan, and the planning activity to follow, do not guarantee that authorization to establish will be granted. Requests (5 copies) may be submitted annually, by September 15 of each year.

Constituent Institution: The University of North Carolina at Charlotte

CIP Discipline Specialty Title: Finance and Financial Management Services

CIP Discipline Specialty Number: 52.0899 Level: D 1st Prof.

Exact Title of Proposed Degree: Ph.D. in Business Administration

Exact Degree Abbreviation (e.g., Ph.D., Ed.D.): Ph.D.

Does the proposed program constitute a substantive change as defined by SACS? Yes No X

a) Is it at a more advanced level than previously authorized? Yes No X

b) Is the proposed program in a new discipline division? Yes No X

Approximate date for submitting the Request to Establish proposal (must be within two years of date of authorization to plan): September 2003

Proposed date to establish degree: month August year 2004 (Date should allow at least three months for the review of the request to establish, once submitted.)
1. Describe the Proposed New Degree Program
1.a. Description of the Program

The Ph.D. in Business Administration with a major in Finance will be a research-oriented degree designed to prepare graduates for teaching and research careers in academia, and for high-level careers within government and the financial services industry. The program will include in-depth training in both theoretical and empirical/statistical aspects of the fields of finance, mathematics, and economics, together with training in pedagogy. With this training, graduates will be qualified for tenure-track assistant professor positions at both national and international research universities and educational institutions.

The strong analytical approach of the curriculum will also provide expertise for graduates to enter the financial world. Today, the principles of finance are being combined with advanced mathematical structures to form useful financial products, strategies, and models that are tested and implemented with the use of advanced quantitative techniques. These products are an integral part of the overall financial activity in several areas: financial instrument development and usage; investments; and risk analysis. As a result, numerous opportunities exist for students with advanced mathematical and finance training for research, quantitative, analytical, and management positions in government, the securities industry, investment banking, insurance, and other financial services located in the Charlotte region, nationally, and internationally.

The Finance Department’s offerings, coupled with offerings of the Department of Economics and other departments within The Belk College of Business Administration, as well as the Department of Mathematics, will provide the student with flexibility to pursue specialized interests while ensuring that the graduate is well rounded with a strong foundation in finance. The Ph.D. Business Administration with a major in Finance will provide an opportunity for specialized study in one or more of the following finance areas: corporate finance, portfolio management and investments, mathematical finance, financial intermediation, insurance, international finance, and real estate. The core of the program will consist of a set of courses required of all students, regardless of which areas of concentration within finance they choose. This core will be supplemented with special courses and electives. In addition, students will be required to become competent in a minor field. Typically students will choose economics or mathematics, as these provide skills important to financial research.

Admission to the program will be limited to three to five students each year. Such selectivity will allow each student to receive individual faculty attention. A Ph.D. admissions committee will examine the students’ backgrounds and goals and will work with the students to develop a comprehensive program that will prepare the student for the dissertation stage and subsequent academic or business careers. It is anticipated that the program will require three to four years to complete. Completion of course work normally takes two to three years and the dissertation will require one to two years. By admitting 3-5 students per year and assuming 4 years to complete the degree, at a steady state the program will have approximately 20 students at any one time.

Beyond the course work, Ph.D. students will be encouraged to engage in original,
publishable research prior to the dissertation stage. This research will be conducted in collaboration with a faculty member and/or other students. The goal of this activity is to develop the student’s research and presentation skills.

The program will also be designed to develop the student’s skills in pedagogy. First, students will gain teaching experience through employment as teaching and research assistants during the first years of the program. After a year or two in the program, students will then teach one or two courses. The combination of apprenticeship training through the teaching assistantships, formal pedagogy, and actual instructor experience will allow Ph.D. students to develop their pedagogical skills along with their research skills.

1.b. Relationship of Proposed Program to Institutional Mission

The proposed doctoral program emphasizing finance is consistent with both the Mission Statement and the Vision Statement of UNC Charlotte and it will expand the array of programs offered by UNC Charlotte at the doctoral level. This program will also be an important contribution to UNC Charlotte in its mission to provide excellent graduate level education to professionals in the Charlotte Region. In this aspect, the program will clearly provide educational and economic advantage to the region. The Mission Statement of UNC Charlotte specifically identifies Business and Finance as one of its broad areas of concern to the region. This program will contribute directly to the region by providing graduates trained to enter high-level financial service industry careers that exist within the Charlotte region.

The proposed new Ph.D. in Business Administration will build upon and expand the graduate programs in the College, and will significantly enhance the instructional and research programs of the entire College. Presently the College offers the following graduate programs: three master’s degrees (Master of Business Administration, Master of Science in Economics, and Master of Accountancy); and, the Finance and Economics Departments in the College are currently developing a master’s program in Mathematical Finance in cooperation with the Department of Mathematics. The College also jointly offers, with the College of Information Technology, a Ph.D. in Information Technology. However, the College’s participation in the IT Ph.D. is largely limited to the Business Information and Operations Management Department. In addition, the Economics Department currently teaches two core courses for the Ph.D. program in Public Policy.

1.c. Relationship of Proposed New Program to Existing Programs
1.c.1. Relationship to Undergraduate Program

The College offers a B.A. in Economics, a B.S. in Accounting, and a B.S. in Business Administration with majors in finance, industrial and operations management, international business, management, management information systems and marketing. The addition of the Ph.D. in Business Administration with a major in Finance will allow the Belk College to recruit top faculty members that desire to participate in the teaching and research aspects of the Ph.D. program, in addition to their contributions to undergraduate education. The caliber and quality of
these faculty members will increase opportunities for undergraduates to participate in faculty research projects. Such opportunities will help attract and retain highly competitive students to the College’s undergraduate programs.

1.c.2. Relationship to Graduate Program:  
The Ph.D. in Business Administration with a major in Finance will have a positive impact on, and synergy with, the Master of Science in Economics, and the proposed Master of Science in Mathematical Finance. These master’s programs will be able to share core courses with the Ph.D. program. Additionally, the presence of the Ph.D. program will help attract quality students to the master’s programs, in that the ability to pursue a Ph.D. in Business Administration with a major in Finance may serve as an effective recruiting tool. For example, graduate students in these programs will have much greater opportunities to be directly involved with the research programs of the faculty. It is anticipated that as more students get involved with research programs, some of them will be interested in pursuing a Ph.D. in Business Administration. Thus, the master’s program could serve as an excellent feeder system of quality well-trained students into the Ph.D. program.

Also, the existence of the master’s programs will help in attracting and recruiting students for the Ph.D. program since the option to pursue one of these complementary and related master’s degrees will exist for those students that begin the Ph.D. program.

1.c.3. Existing Faculty Support of Proposed New Program

The Finance and Economics’ faculty within The Belk College of Business Administration at UNC Charlotte and the Department of Mathematics is made up of individuals with diverse areas of interest and many have established national reputations in research and teaching. Members of the faculty produce high-quality research papers, articles and books on a wide variety of topics in mathematical finance, finance, economics, insurance and real estate. The results of many of these studies are published in top academic journals and members of the faculty are regularly invited to present their research findings to businesses and governmental agencies, as well as other academic institutions.

It is also likely that Faculty from the Business Information Systems and Operations Management Department will participate in the program by working with Ph.D. students that pursue research in the areas of advanced statistical methodologies and optimization methods.
There are a number of faculty in each department that will be involved in this program:

Finance and Business Law:
Full Professors 3 (Nunnally, Ott, Sealey)
Associate Professors 2 (Blenman, Buttimer)
Assistant Professors 2 (Clark, Halek)

Economics:
Full Professors 3 (Amato, Gandar, Zuber)
Associate Professors 3 (McGregor, Lin, Russo)
Assistant Professors 2 (Radchenko, Troyer)

Mathematics:
Full Professors 5 (Zhu, Quinn, Sonin, Yushkevich, Wihstutz)
Associate Professors 2 (Anderson, Zhang)
Assistant Professors 1 (Kawszak)

Business Information Systems and Operations Management:
Full Professors 2 (Cooper, Saydam)
Associate Professors 4 (Khouja, Kumar, Stylianou)
Assistant Professors 5 (Craighead, O’Malley, Park, Smith, Winter)

1.d. Special Conditions in Support of Proposed Program

As one of its goals, this program will be designed to prepare graduates for research careers in an ever-expanding part of the financial sector. In the past decade, there has been a tremendous increase in demand within the corporate, banking, insurance, financial services and manufacturing sectors to manage risk and structure investment strategies. The growth in the development and usage of financial instruments for risk management and investment has been startling. There has been a huge growth in: organizations and markets dealing with various exchange-traded and over-the-counter derivative securities; the mutual fund and pension fund industries; and top investment firms and the top world banks.

The growth of the financial sector that uses advanced financial techniques has included growth within the Southeast region. The enormous presence of the banking industry in this region is very well known. At present, the Charlotte region represents the second-largest financial center in the U.S. Eight of the nation's top-two hundred banks operate within the City of Charlotte, and two of the top-ten banks in the country are headquartered in the City. With the exception of New York City, no other American metropolitan area can claim a larger presence of the nation's strongest financial institutions. Also, the energy marketing and pricing sector uses these sophisticated financial techniques and this industry also has a strong presence in the Southeast region.
Because of the major presence and sophistication of the financial service industries in Charlotte, there is a growing demand for employees that have Ph.D. level training in finance. The Charlotte financial services community has asked UNC Charlotte to help fulfill the need for employees by providing students with the ability to pursue graduate programs in finance. Thus, to fulfill the needs of the regional financial services industry, it is a natural progression for UNC Charlotte to develop and offer Ph.D. level education in Business Administration with a major in Finance.

2. Other North Carolina Programs

Two universities in North Carolina offer a Ph.D. in Business Administration with a major in Finance (distance from Charlotte):

(1) Duke University, The Fuqua School of Business (132 miles);
(2) University of North Carolina at Chapel Hill, Kenan-Flagler Business School (134 miles).

In addition, the Ph.D. in Economics at Duke offers a field in Financial Economics, and the Ph.D. in Economics at UNC Chapel Hill offers a field in Financial Econometrics. Also, the Department of Economics at the University of North Carolina at Greensboro (83 miles from Charlotte) has proposed to establish a Ph.D. in Economics that will offer a field in Financial Economics.

Even though similar programs exist in North Carolina, the demand for graduates is so great that there is a definite need for another program to meet that demand (see section 4 of this document).

3. First Year Demand for Proposed New Program

Full Time ___ 3-5 ___  Part Time ___ 0 ___

By admitting 3-5 students per year and assuming 4-years to complete the degree, at a steady state the program will probably have about 20 students at any one time. This is typical of other finance Ph.D. programs at other U.S. universities.

4. Demand for Graduates of Proposed Program

The past twenty years have witnessed a dramatic increase in the demand for finance doctorates. This demand has come from both academic and professional sources. As business schools have grown, the need for additional finance faculty has become more acute. As quantitative methods have come to dominate financial analysis, Wall Street has realized that persons holding finance doctorates are particularly well trained in this area, and this has created a second major source of demand. These twin sources of demand have outstripped the capacity of business schools to produce Ph.D.’s, which has resulted in a continuing shortage of finance
Ph.D.s. The following sections address these two areas of demand, and offer estimates of the number of finance Ph.D.s that the market will demand in the future.

4.a. Academic Demand

Nationally the academic demand for finance Ph.D.s has been very strong, and shows every indication of increasing. This demand has historically been caused by growth in faculty size of business school finance departments. Over the past two decades, the explosive growth of MBA and undergraduate finance programs has created a need for a commensurate increase in finance faculty. A second source of demand is, however, rapidly developing. That second source of demand is replacements for retiring finance faculty. Because business schools are relatively recent additions to most universities, their faculty has never undergone large-scale retirements. It appears almost certain that in the next decade this will change. Thus, the demand for finance Ph.D.s will only increase. Further compounding the issue is that there has been a dramatic reduction in the production of Ph.D.s by business schools. The following sections address each of these issues.

4.b. Demand and Growth in Business School Faculties

The growth in demand for business education has been dramatic, particularly at the MBA level. In the 1999-2000 academic year 257,709 B.B.A. degrees were awarded, which was over twenty percent of all bachelor’s degrees conferred by U.S. universities. In that same year 112,258 MBA degrees were conferred, nearly one-quarter of the total master’s degrees awarded by U.S. universities.1 Although these numbers are large, what is staggering is their growth, especially at the master’s level. In 1970, US universities conferred only 25,977 master’s degrees in business.2 By 1980, that number had more than doubled to 57,391. By 1990, that number had risen to 78,255.3 From 1990 through 2000, the growth rate in MBA conferrals was 3.67% per year.4

To service this influx of students, business schools have had to increase both class sizes and the size of their faculties. Even with the best efforts of business schools, however, this has been difficult. The Association to Advance Collegiate Schools of Business (AACSB), the primary accrediting body for business schools, notes that as of 1999, roughly 5% of all finance positions are currently unfilled, and that business schools expect a growth rate of approximately 5% in the number of finance positions.5

According to the National Center for Educational Statistics, as of 1998 there were approximately 4,970 faculty members that hold Ph.D.s in finance.6 Based on the conservative

2 We note that in the early 1970’s many of the master’s degrees would have been MS or MA degrees in specific disciplines such as accounting or economics.
4 While business schools continue to confer some MA and MS degrees, the overwhelming majority of the degrees conferred, and virtually all of the growth, has been in MBA degrees.
assumption that the growth rate in faculty will more closely mirror the growth rate in business school enrollments (3.67%) rather than the 5% rate observed by AACSB, by 2022 the number of finance faculty needed by business schools will be 10,219. If one were to assume only a 2% growth rate in faculty, a rate considerably lower than has happened historically, the number of finance faculty needed by 2022 will be 7,385. Growth in business school faculty, therefore, is likely to increase the demand for finance Ph.D.s by 2,500 to 5,000 people over current levels during the next twenty years.

4.c. Demand and Faculty Retirements

The growth in the demand for faculty in business schools has historically been almost entirely driven by growth in the schools themselves. Business schools, at least in their current size and scope, are a relatively recent phenomenon, and many have not yet experienced a period of significant faculty retirements. As AACSB noted in 1998, faculty retirements are becoming more common as “…a cohort of faculty who started teaching in the 1950s and ‘60s approach retirement age.”7 The scale of the retirement problem can be seen in data available through the National Center for Educational Statistics. The average age of the 4970 faculty holding finance Ph.D.s identified by the 1998 “National Survey of Postsecondary Faculty” is 47.58 years, and the average date for the awarding of their doctoral degree was 1983. Assuming that the average faculty member will work until age 67, this implies that over the next twenty years, universities will have to find replacements for roughly 2485 finance faculty members. This will be in addition to the growth in faculty positions that will also occur. The AACSB notes that 30 percent of all business faculty members are over age 55. Assuming that this distribution holds for finance faculty as well, this implies that U.S. universities must create over 1490 new finance Ph.D.s in the next ten to twelve years to replace retiring faculty.8

Based upon the estimates of the growth in business school faculty size and of faculty retirements, it appears that US universities will have to produce between 5000 and 7500 new Ph.D.s in finance over the next twenty years, just to satisfy the demand of academic institutions. This equates to between 250 and 375 finance Ph.D.s per year. This greatly exceeds the capacity of existing US universities to meet the demand.

4.d. Ph.D. Production and the Current Shortage of Finance Ph.D.s

Over the past decade there has been a dramatic scaling back in the number of finance Ph.D.s created. As illustrated in the table below, the number of finance Ph.D.s conferred in 1998 was slightly more than 61% of the number conferred in 1994. There is little evidence that this trend is changing.

The primary reason for the reduction in Ph.D. production has been due to a redirection of resources to MBA programs, caused by the tremendous influx of students to those programs. In fact, Zimmerman (2001) notes that top business schools have reduced the size of their doctoral

7 AACSB Newsline, 1998.
8 Management Education at Risk, Report of the Management Education Task Force to the AACSB Board of Directors, August 2002.
programs by roughly 25%. For the four academic years 1997-1998 through 2000-2001, U.S. universities conferred a total of 299 Ph.D.s in finance, or an average of 75 new Ph.D.s per year. Clearly this rate of Ph.D. production cannot meet the needs for future business schools faculty.

The low rate of Ph.D. conferrals creates not only long-term problems for business schools but also immediate problems. Examining the current job market for finance academics clearly illustrates this. The job market for new finance Ph.D.s largely occurs at two academic meetings: the Financial Management Association meetings, held in October, and the American Finance Association meetings, held in early January. As a service to its members, the Financial Management Association (FMA) publishes position announcements from universities as well as resumes of job candidates. For 2002, the FMA *Directory of Positions Available* lists 185 academic positions. The FMA *Resume Book* lists 97 resumes. Thus, the current demand for finance Ph.D.s is roughly twice the current supply of finance Ph.D.s. This means that a significant number of positions will either go unfilled or will be filled by hiring faculty away from other institutions.

4.e. Private Sector Demand

The previous section noted that US universities will have to produce between 5000 and 7500 finance Ph.D.s over the next twenty years to meet the demands for faculty. To compound the problem, the private and government sectors also demands finance Ph.D.s. Largely commercial banks, investment banks, and government agencies drive this demand. Over the past twenty years the field of finance has undergone a major transformation: it has become increasingly quantitative and mathematically driven. These are areas where finance Ph.D.s tend to have very strong skills; the private sector has realized this and has begun hiring significant numbers of finance Ph.D.s.

Estimating the private sector demand for finance Ph.D.s is difficult, as there is no central repository for data on private-sector hiring of Ph.D.s. What is well known, however, is that almost all investment banks, and most large commercial banks, routinely hire finance Ph.D.s into senior staff and managerial positions. Given the very important role that banking plays in the Charlotte and North Carolina community, this should create even stronger demand for finance Ph.D.s produced by the program proposed here.

One effect of the private sector’s demand for finance Ph.D.s is that it further reduces the pool of available candidates for academic positions. AACSB, in its report “Management Education at Risk”, notes that only 62 percent of U.S. business doctoral candidates plan to enter the academic labor market. While the AACSB statistic is for business doctoral students in general, there is reason to believe that more of the candidates within the subset of finance doctoral students enter into industry (nonacademic) careers. The implication of this is that US universities must produce between 8,000 and 12,000 finance Ph.D.s in order to fill the projected 5,000 to 7,500 faculty positions over the next twenty years.

10 We note that some of the resumes listed are for candidates that have graduated in the past and are seeking to find another job.
4.f. Summary of Demand

The demand for finance Ph.D.s comes from two separate sources: the academic market and the private sector market. Growth in business school enrollments has created tremendous demand for new faculty at a time when the production of finance Ph.D.s has dropped dramatically. A significant portion of the current stock of finance faculty is nearing retirement, and will have to be replaced. The private sector marketplace also hires a significant number of finance Ph.D.s.

The significance of this is that there is short-term demand for finance Ph.D.s, and there is strong evidence for increased demand over time. Business schools cannot even meet the current demand for finance Ph.D.s, and show no signs of significantly increasing the production of Ph.D.s in the near future. Based on this analysis, it is anticipated that the demand for finance Ph.D.s produced by UNC Charlotte under the program produced here will be very high.

5. Plans to Offer Proposed Program Away from Campus

There is no plan to offer the program off-campus
6. Planning Procedures for the Proposed New Program

The planning committee listed below will have the responsibility for drafting the Request for Authorization to Establish the Ph.D. Program, and for modifying the Request to accommodate suggestions for change proposed by participating units. The final draft of the Request will be subject to the normal curriculum procedures of UNC Charlotte.

- Dr. Richard Buttmer  Department of Finance and Business Law  
  buttmer@email.uncc.edu  704-687-6219
- Dr. Alan Dow  Chair, Department of Mathematics  
  adow@email.uncc.edu  704-687-4560
- Dr. John M. Gandar  Chair, Department of Economics  
  jmgandar@email.uncc.edu  704-687-4133
- Dr. Rob Roy McGregor  Department of Economics  
  rrmcgreg@email.uncc.edu  704-687-4121
- Dr. Steven H. Ott  Department of Finance and Business Law  
  shott@email.uncc.edu  704-687-2744
- Dr. Cem Saydam  Department of Business Information Systems and Operations Management  
  saydam@email.uncc.edu  704-687-2047
- Dr. Calvin Sealey  Chair, Department of Finance & Business Law  
  cwsealey@email.uncc.edu  704-687-2063

7. Financing the Proposed New Program

The program will be financed using both external and internal funds. UNC Charlotte’s transition from a comprehensive institution to a research intensive/doctoral institution will enable it to draw from expansion funds for partial support of the proposed program. Another source of partial funding is enrollment increase funding within the State appropriations. Additionally, UNC Charlotte’s new status as a doctoral institution has attracted research-oriented faculty members and will lead to an increase in external research funds for support of graduate students. Internally, the University will provide support for administration of the program, graduate student support, and enlargement of library resources.

Any future faculty slots in the participating academic departments will be targeted to help staff the planned Ph.D. program. Already, two new full-time faculty positions in the Department of Finance have been filled and designated to partially support the proposed program, if and when implemented. The presence of the new Ph.D. degree program will allow the Belk College to attract research-oriented faculty that will have the potential of attracting new resources to the University to support the degree.
In general, continuing and expected support from industry, state, and federal agencies, and UNC Charlotte’s internal resources will be adequate for initiating and operating a highly respected Ph.D. program in Business Administration with a major in Finance.
Appendix

CENTER FOR LEADERSHIP AND ORGANIZATIONAL DEVELOPMENT

The Center. Organizations place considerable value on leaders who possess long-term vision, ingenuity, strength of character, and an ability to evaluate and manage risk. Similarly, leaders need to stay current of best practices in the competitive environments of organizations. To prepare executives and future executives for management success, the Department of Management proposes developing a Center for Leadership and Organizational Development (CLOD), a program of study that would deliver a unique combination of global management, leadership acumen, and strategic thinking and decision-making skills. The CLOD would extend the outreach efforts of the Department of Management by offering opportunities for executives to hone leadership skills and abilities, building linkages among the Department and local, regional, national, and international businesses, and offering collaborative research opportunities for faculty and business professionals. The CLOD would be based on the latest business concepts and technology, utilizing hands-on business applications and tools that executives must master to work creatively, seize business opportunities, implement innovative ideas, and take advantage of rapidly changing business environments.

Programs and Services. CLOD programs and services, which would be offered by internationally-recognized faculty, would be focused on several levels of management strategy, and would address issues vital to conducting business in the 21st century. In addition to strengthening foundational skills in marketing, finance, information systems, accounting, operations, human resources, and global business, attention will be directed to skills that differentiate successful leaders such as decision-making, negotiation and conflict management, creativity and innovation, organizational politics, and personal career development. The programs and services offered would weave together external strategic considerations with internal alignment issues enabling executive-students to translate classroom learning into concrete action plans for their organizations.

Participants. CLOD participants will be current and future executives and self-employed entrepreneurs representing diverse industries such as banking and financial services, insurance, biotechnology, agriculture, entertainment, communications. Most will hold college degrees. The programs and services will be targeted for those who (1) have recently been promoted to executive positions, (2) have recently assumed a position with increased responsibility and accountability for a business unit, division, or organization, or (3) those who already hold a key position at a policy-making level (with responsibility for strategy formulation and direction) and seek to increase their personal visibility and influence.