

# United States of America

## **Demographics for United States of America**

Population:	295,734,134 (July 2005 est.)
GDP (by PPP method):	US\$11.75 trillion
Currency (inc code):	US Dollar (USD)
Language(s):	English, Spanish, other Indo-European, Asian and Pacific island dialects
Internet country code:	.us

## **Elementary and secondary education**

Students typically spend six to eight years in elementary grades, which may be preceded by one to three years in nursery school or kindergarten. Elementary education is followed by a secondary school program lasting four to six years. Secondary education program normally includes three or four years of high school preceded by either middle school (e.g. grades six through eight) or junior high school (e.g. grades seven through nine). Students usually complete elementary and secondary education, grades 1-12, by 18 years of age. The General Educational Development (GED) program enables individuals who do not complete formal education requirements to demonstrate that they have acquired a level of learning comparable to high school graduates.

State governments rather than the federal government exercise control of education in the USA. States set, for example, broad curricular policies. However, these policies allow for variations across local districts. District-level curricula are generally designed to provide a coherent educational experience for students completing all grade levels. The curricula also accommodate differences in learning styles, abilities, interests, and aptitudes. Thus, schools will offer a range of options and tracks. Students will select among them or be

placed based on diagnostic counseling, academic performance, and consultation with parents and the student.

### **Higher education**

Graduates of high school may continue their education in a technical or vocational institution, two-year community or junior college, or a four-year college or university. Technical or vocational institutions offer post-secondary technical training leading to specific careers, such as computer-aided design. Two-year community colleges typically offer associate degrees, usually designated as Associate of Arts (AA) degrees. Technical or vocational schools offer a selection of terminal or vocational programs that vary in length.

A Bachelor's degree normally requires four years of college-level course work. Undergraduate studies leading to a Bachelor's degree are generally divided into two phases: a set of general course requirements in a broad range of subjects and a concentrated (or major) program of study in one or more subjects, such as business, biology, sociology, or education. Academic course work completed at two-year colleges are usually transferable to four-year colleges and universities. Applications to a four-year college or university may require completion of an entrance examination, such as the SAT or ACT, high school transcripts, essay, and letters of recommendation. Admission into the second phase (concentrated program of academic study) within an institution will sometimes require a separate application near the end of the first phase.

Graduate education includes programs of study leading to a Master's or Doctor's degree. Master's degrees require at least one year of course work beyond the Bachelor's degree. A Doctor's degree usually requires a minimum of three to four years beyond the Bachelor's degree. Policies and standards for admission into graduate programs usually include a standardized test, such as the Graduate Record Examination (GRE) and, for business and management, the Graduate Management Admission Test (GMAT), application, high performance in undergraduate studies, and letters of recommendation. The Test of English as a Foreign Language (TOEFL) also may be required for some applicants.

Professional schools, which are usually located within a university, offer first professional degrees. First, professional degrees usually require four years of work prior to entrance and no less than six years of work to complete the degree program, including prior-required work. In the USA, first-professional degrees are awarded in dentistry, medicine, optometry, osteopathic medicine, pharmacy, podiatric medicine, veterinary medicine, chiropractic, law, and theological professions.

Corporate charters to post-secondary institutions are issued by state governments, which have oversight and coordinating authority over higher education within their jurisdictions. The extent to which state governments set

standards, regulate quality, and are involved with operations of public institutions varies across states.

Unlike most other countries, accreditation of post-secondary institutions is carried out in the USA by private, not-for-profit, non-governmental organizations. For example, six regional associations accredit institutions that are located within defined groups of states and territories, as well as foreign institutions located in specified countries and world regions which apply for USA accreditation. Accreditation recognized by the US Department of Education is required for institutions to be eligible for federal financial aid programs. Internationally, accreditation by a recognized accrediting authority is accepted as the US equivalent of ministerial recognition of institutions belonging to the national education system.

Most institutions in the USA operate using either a semester or quarter academic calendar. The semester system consists of two sessions called semesters, each lasting about 15 weeks. The quarter system consists of three sessions called quarters, each lasting about 12 weeks (the range may be ten to 15 weeks as defined by the institution). Both systems might have a session in the summer. In the USA an academic year is generally a period of time from September to June that usually equates to two semesters or three quarters. A credit hour is a unit of measure representing an hour (50 minutes) of instruction over a 15-week period in a semester system or ten-week period in a quarter system. It is applied toward the total number of hours needed for completing the requirements of a degree, which varies by institution.

### **Management education**

Management education in the USA is provided by a wide range of organizations. Almost all management education that leads to a degree at any level is provided by accredited colleges and universities. Business programs within colleges and universities are usually managed and delivered by an academic unit often referred to as a business school (it may go by many names, such as college of business, department or faculty of management). Only a small part of non-degree management education, such as training programs for corporate employees, short management programs focused on particular topics, and executive leadership development programs, is provided by colleges and universities. Other providers of non-degree management education include associations, consulting companies, and corporations. Corporations sometime provide training to employees through business units called corporate universities, which are not generally eligible for accreditation.

Undergraduate education (leading to Bachelor's degrees) in business and management is provided by colleges and universities. Generally, the program involves two years of general studies and two years of specialized studies in business. Degree titles vary depending on institutional preferences, but do not necessarily signal curricular differences. The most commonly offered degree

titles are Bachelor of Business Administration and Bachelor of Science in Business. Most degree programs allow students to select a major emphasis within business, which usually requires between four and six specialized courses in the area of emphasis.

Graduate business education includes Master's and Doctoral-level education. Master's level business education includes programs leading to a general business Master's degree (e.g. Master of Business Administration (MBA)) and programs leading to a specialized Master's degree (e.g. Master of Accountancy, Master of Information Systems), which provide specialized training within a specific field. Substantial variation has developed within each type, especially general business Master's degrees.

MBA's might be earned through a variety of program types. Traditional two-year programs usually include study across four semesters spread over two academic years. First-year core courses are usually followed by an internship and more specialized study in the second year. Part-time MBA programs are designed for professionals that work during the day and attend classes in the evening. Courses are delivered throughout the year and internships are seldom part of the program. Executive MBA (EMBA) programs are designed for working executives with significant management experience, many of whom are company sponsored. There are many different EMBA program structures, but it is not uncommon to meet on alternate weekends (Fridays and Saturdays) over two academic years. Other MBA program types include accelerated or integrated programs, which allow students to combine undergraduate and Master's level education, and online programs that allow students to work at their own pace. The diversity of MBA program options has blurred the definition of an MBA, but has provided students with a wide range of choices to meet their special needs and circumstances.

Most business Doctoral programs in the USA prepare candidates to conduct highly specialized scholarly research. A Bachelor's degree is generally required and many PhD programs give preference to those who have completed Master's degrees. After completing preliminary courses and passing a battery of written examinations, doctoral students advance into the candidacy stage. The doctoral student then participates in advanced seminars, selects a subject for the dissertation, forms a dissertation committee, and initiates research. The student enters an independent research phase once the dissertation advisor accepts the research design and proposal. Independent research and writing the dissertation can take several years. Once acceptable to the advisor, the student must defend the dissertation before the committee and invited guests. In a typical defense, the student must establish mastery of the subject, justify his or her research findings, and answer questions. A successful defense results in the award of the degree. Unlike in many European countries, the Doctor of Business Administration (DBA) program does not differ significantly from business PhD programs in the USA.

### *Faculty*

Prior to the 1960s, most US business faculty came directly from the business world. In the 1960s and 1970s, business schools began to recruit significant numbers of PhDs from related academic disciplines, such as economics, sociology, and psychology, as well as mathematics and sciences. Although hiring from these fields continues, a larger proportion of new full-time business faculty members are now hired out of Doctoral programs in business and management. New Doctorates are usually hired into tenure-track positions at the rank of assistant professor and are normally considered for tenure and promotion to associate professor after about six years. Consideration for promotion to full professor normally occurs after another six years.

Although US faculty models differ across institutions and continue to evolve with changes in the industry, generally full-time tenure-track faculty are expected to conduct research, teach, and provide service to the school, institution, and discipline. The relative emphasis on each of these responsibilities is determined by the mission of the school. Business faculties also include practicing managers and retired executives. Some are hired as part-time or adjunct faculty members and teach one or two courses a semester, while others have been hired into full-time positions under the banner of clinical faculty, lecturer, or executive in residence.

### *Students*

In 2003, there were about 350,000 graduate students and 1.3 million undergraduate students in business and management programs in the USA. Combined, they represent one in ten students in US colleges and universities. US institutions awarded about 300,000 Bachelor's degrees and 129,000 Master's degrees in business and management in 2003. That means one in five Bachelor's degrees and one in four Master's degrees were awarded in business and management. About 50 percent of all business Bachelor's degrees and 36 percent of business Master's degrees are awarded to women. About five percent of business Bachelor's degrees and 17 percent of business Master's degrees are awarded to students studying in the USA on temporary visas.

### *Accreditation*

AACSB International accredits institutions that offer business and management degree programs. AACSB now accredits institutions all over the globe. Other US-based accreditations for business programs include Association of Collegiate Business Schools and Programs (ACBSP), which focuses mostly on two-year institutions, and the International Assembly for Collegiate Business Education (IACBE). EQUIS, an accreditation offered by the Brussels-based European Foundation for Management Development (EFMD) also has begun to offer accreditation to business schools in the USA:

- Estimated number of institutions with undergraduate business degree programs: 1,500.
- Estimated number of institutions with business Master's degree programs: 850.
- Estimated number of institutions with business Doctoral degree programs: 130.

### **Issues facing business schools**

Business schools in the USA are faced with a diverse set of issues, including shrinking supplies of doctoral faculty, shifting funding sources, intensifying competition, and increasing accountability pressures. Because business schools in the USA differ widely in mission and characteristics, such as size, resources, and reputation, they experience and deal with these issues in different ways.

Despite growing numbers of business students, the production of business and management Doctorates, particularly among large public institutions, has declined. The main causes of this reduction are high program costs, absence of funding support beyond the business school, and low reputational incentives for investing in doctoral education. Doctoral faculty shortages have caused escalating salaries for new Doctorates and increasing non-salary compensation. Salary inversion, which occurs when new faculty hires earn more than experienced faculty at higher ranks, has become common in US schools. Business school leaders worry that continuing shortages could threaten the scholarly approach to management education that is unique to business schools and adversely impact the quality of management education.

Many US business schools have been faced with funding cuts or freezes over the last three years. This issue has been exacerbated by rising undergraduate student populations and increasing faculty salaries. As a result, schools have sought to increase funding from alternative sources, such as tuition, gifts and grants, and non-degree programs. Many business deans have been negotiating alternative financial arrangements (e.g. differential tuition for business students), unconventional budget models (e.g. responsibility-centered budgeting), and greater decision autonomy from the institutions to which they are affiliated.

Intensifying competition has challenged US business schools on many levels. Increasing numbers of MBA providers and programs has increased competition for students. Competition has been especially intense among part-time programs in large urban markets, where for-profit business schools that rely heavily on part-time faculty have grown significantly through aggressive marketing. The rise in prominence of other schools around the globe has also forced US full-time MBA and global executive programs to step up efforts to compete for students. International recruitment for US schools has been hampered by tightening restrictions on temporary visas.

Like other educational institutions in the USA, business schools have also felt increasing pressure from accrediting organizations and state legislatures to demonstrate that educational outcomes are being achieved. For example, AACSB International accreditation standards were recently revised to include a set of Assurance of Learning standards. Pressures for business schools to more effectively demonstrate value have also emerged recently from within the academic community. Writers have suggested that schools must work harder to show increases in earning potential and career success from MBA degrees and demonstrate the relevance of business academic research.

**Dan LeClair**  
*AACSB International*

