

# MOTIVATIONAL FACTORS AND TACTICS FOR THE STUDENT-OPERATED BUSINESS

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## ABSTRACT

The concept of motivating students to perform effectively in a student-operated business is addressed. To determine the relevance of using the CORE motivational factors of problem-based learning (PBL) to identify areas of importance, a comparison between the student-based CORE and Ramlall's factors of workplace motivation is conducted. This analysis then relates the specific techniques used by the student-operated business and how they apply to CORE.

## INTRODUCTION

Most marketing graduates will utilize their discipline-specific knowledge in non-academic careers. It therefore seems prudent that marketing instructors teach skills that address the needs of employers. The literature suggests that problem-solving is one area where marketing majors appear to be deficient upon graduation (Wee and Kek 2002; Kennedy, Lawton, and Walker 2001; Titus 2000; Scott and Frontczak 1996). Chapman and Sorge (1999) gave an apt summation on the problem of problem-solving: "Students simply do not have enough exposure to making business decisions in uncertain and ambiguous environments." (p. 225)

Problem-based learning (PBL) addresses this need in higher education. Its aim is to develop self-directed, reflective, lifelong learners who can integrate knowledge, think critically, and work collaboratively with others (Barrows 1996). One of the key advantages of using a PBL approach is its inherent ability to intrinsically motivate students, such as learning for its own sake; higher likelihood to take risks, admit ignorance, and persist at difficult tasks (Dweck 1989).

PBL was introduced as a pedagogic approach at medical schools in the 1960s and has since been utilized in the curricula of numerous disciplines. In marketing, varieties of PBL have been recommended for use in specific courses (Kennedy, Lawton, and Walker 2001; Titus 2000; Clow and Wachter 1996; Ramocki 1994) and one institution integrated the methodology curriculum-wide (Wee and Kek 2002).

## PBL MOTIVATORS

Despite the popularity of PBL in higher education, limited research has been conducted in reference to

motivating students when using this approach. Motivation can be defined as the factors and processes that initiate and direct the magnitude, persistence, and quality of goal directed behaviors (Paulson and Feldman 1999).

One study of students in Hong Kong isolated four motivational themes (CORE) related to PBL (MacKinnon 1999): community; ownership; relevance, and; empowerment. Each of these elements address Maslow's (1986) basic human needs for affinity, esteem, and self-actualization.

This study concluded that if any of these four themes are missing, "it is likely that the motivational impact of the remaining elements will be ... diminished" (MacKinnon 1999, p. 56).

### Community

This term encapsulates both teacher-student and student-student relationships and their perceptions of belonging.

#### Teacher-student relationships

Tutors play two roles, that of energizer and facilitator. As an energizer, PBL teachers heighten student interest in the endeavor. Secondly, after the problems are introduced, the instructor provides indirect support as learners grapple with solving them.

#### Student-student relationships

"The combination of a salient goal (relevant content) and a heavy workload (are) the factors that (contribute) most to building a sense of community" (MacKinnon 1999, p. 54).

### Ownership

Students demonstrate great satisfaction with the ability of teaching themselves, instead of receiving direct instruction more familiar to more traditional pedagogies (MacKinnon 1999).

### Relevance

In PBL, problem relevance is considered the most important factor for motivation and for developing reasoning skills (Barrows 1986).

### Empowerment

"Empowerment ... involves providing students with a sense of mastery in skills that they perceive as

valuable and attained through their own efforts" (MacKinnon 1999, p. 55).

### EMPLOYEE MOTIVATION

Because marketing educators are preparing students for success in their careers, we must also examine motivation in workplace environments to determine whether these principles are congruent with the student-oriented CORE model.

The literature in employee motivation is extensive, but Pinder (1998) provided a definition that accommodates its different theoretical perspectives:

Work motivation is a set of energetic forces that originates both within, as well as beyond an individual's being, to initiate work-related behavior, and to determine its form, direction, intensity, and duration. (p. 11)

This definition is similar to our earlier definition of student motivation, so it appears both concepts begin at the same starting lines. In his review of employee motivation literature, Ramlall (2004) identified the following critical factors from the dominant theories.

#### Needs of the Employee

Employees have multiple needs based on their individual, family, and cultural values (Ramlall 2004).

#### Work Environment

Employees want to work in an environment that is productive, respectful, provides a feeling of inclusiveness, and offers friendly setting (Ramlall 2004).

#### Responsibilities

Given that one feels competent to perform in a more challenging capacity and has previously demonstrated such competencies, an employee may feel a need to seek additional responsibilities and be rewarded in a fair and equitable manner (Ramlall 2004).

#### Supervision

Leaders more frequently than others feel a need to teach, coach, and develop others. These individuals seek to influence the organization's goals, objectives and the strategies designed to achieve the mission of the organization (Ramlall 2004).

#### Fairness and Equity

Employees want to be treated and rewarded in a fair and equitable manner regardless of age, gender, ethnicity, disability, sexual orientation, geographic location, or other similarly defined categories (Ramlall 2004).

#### Effort

Even though employees may exert higher levels of effort into a position based on a perceived significant

reward, this could be a short-term success if the task itself does not challenge or provides satisfaction to the employee (Ramlall 2004).

#### Employees' Development

Employees prefer to function in environments that (a) provide a challenge, (b) offer new learning opportunities, (c) contribute significantly to the organization's success, and (d) offer opportunities for advancement and personal development based on success and demonstrated interest in a particular area.

### COMPARING RAMLALL'S FACTORS TO CORE

Based on the observations of the three authors, the CORE motivational factors for PBL appear to be aligned with various components of Ramlall's factors (See Table 1).

**TABLE 1  
CONGRUENCE BETWEEN EMPLOYEE AND  
STUDENT MOTIVATION**

Ramlall's Factors	Elements of CORE			
	Community	Ownership	Relevance	Empowerment
Needs	X	X	X	X
Environment	X			
Responsibility		X		X
Supervision				X
Fairness and Equity	X			
Effort			X	
Employee Development		X	X	
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

Accordingly, the CORE factors seem to be appropriate to develop motivational techniques for a specific form of PBL. Motivating students in this type of learning environment should be very similar to motivating employees in the workplace.

### THE STUDENT-OPERATED BUSINESS

The primary tenet for using a student-operated business is to prepare students for their careers by replicating the situations they will encounter after they graduate. As summarized by Chapman and Sorge (1999), "to deliver future employees with strong problem-solving and decision-making skills to the workplace, we must adopt an educational process that improves and cultivates these abilities" (p. 226).

In marketing education, a dearth of research exists regarding motivation in problem-based learning contexts. This analysis will identify strategies for

motivating students in perhaps the most extreme PBL method – the student-operated business.

Over the years, many student-operated businesses have been supervised by academic institutions, but most of these concerns operate outside of the curriculum, most often by student organizations (Daly 2001). One example of a student-operated business engaged within a marketing curriculum was described in great detail by Shawn Daly (2001), whose insights serve as an excellent primer in the mechanics involved in undertaking such an endeavor. Additional work in this area was conducted by Jackowski and Daughtrey (2005, 2006).

### **Format of Courses**

This section summarizes the operation of Brand Spankin New (BSN), the only e-commerce site in the country managed by undergraduates as part of their curriculum. The program is a collaboration between the marketing and industrial design departments at a large urban college in the Rocky Mountain region.

This alliance was formed because of a need identified by the business community in the United States. In order to increase the return on investment of new product introductions, American firms are beginning to understand that marketing and industrial design need to work together at the *beginning* of the product development process (Nussbaum 2005, Godin 2003).

Three courses, one in Industrial Design and two in Marketing, currently work full-time on BSN. "Industrial Safety and Production" incorporates the planning, development, and refinement of BSN's home and office décor products for manufacture and sale. "Seminar in Marketing Management" collaborates with students in the industrial design class during the new product development stages and markets BSN's existing product line. "Reputation and Brand Management" students are responsible for building the parent BSN brand and organizing BSN events. Beginning in the Spring, 2007 semester, a new course entitled "New Product Management" will join the BSN fold and concentrate on collaborating with industrial design students, allowing the Seminar course to concentrate on marketing the growing product line.

In both courses, after departments/teams were formed, each class (two days a week for an hour and fifteen minutes each session) took the form of a company meeting, where course concepts were integrated into BSN, each department gave progress reports and major issues were discussed. On many occasions, students were given time to work within their own departments during class time. As a group, students were required to present and deliver in

report form the following: a department plan for the semester; weekly progress reports; and a final report on the achievement or non-achievement of the goals of their department. The next section will summarize student organization in the two marketing courses.

### **Seminar in Marketing Management (MKT 4520)**

Students are divided into teams of two which are responsible for researching product categories near the start of the semester as part of new design development, as well as presenting a product feasibility plan for a BSN design finalist before a panel of professionals at the end of the term. Additionally, these teams brand the winning design from the previous semester and implement marketing plans for the existing product line.

### **Reputation and Brand Management (MKT 4110)**

Students in this course were divided into the following departments based on their areas of interest:

#### Event Management

Students in this department are responsible for organizing BSN's major event held each semester.

#### Partner Relations Management

Students in this department are responsible for managing the ongoing relationships with BSN's organizational partners.

#### Customer Relations Management

Students in this department are responsible for developing and implementing BSN's database management plan.

#### Identity Management

Students in this department are responsible for developing and managing BSN's visual representations.

#### Online Marketing Management

Students in this department are responsible for developing BSN's online relationships.

#### Donation Management

Students in this department are responsible for cultivating corporate donors to BSN.

### **MOTIVATIONAL TACTICS USED BY BSN**

Studies of college student learning typically indicate that an intrinsic goal orientation tends to enhance a student's academic performance and an extrinsic goal orientation, or one that places more focus on material rewards, tends to constrain one's performance (Paulson and Feldman 1999).

Despite this evidence, BSN uses using both extrinsic and intrinsic rewards as motivators for one reason; Employee reward systems common utilize extrinsic goals. Due to our task of preparing students for life after graduation, we felt it was necessary to include both orientations in our program.

Despite these realities, we also feel that it is crucial to motivate students on an intrinsic level if we truly expect students to achieve. Much of the coursework is self-directed and requires students to make sales presentations to professionals in the field that must result in sales.

Accordingly, here is how BSN lays the groundwork for both extrinsic and intrinsic motivation using the principles of CORE.

### **Community**

#### Extrinsic

In past courses, a course dinner was provided by the student-operated business if all course goals were met. This incentive helped to pull students together as a team with a common goal.

More recently, the students with the best assignments/projects throughout the semester are awarded small, funny prizes and receive a round of applause from their peers. This helps to instill personal achievement while still being a part of a communal atmosphere.

#### Intrinsic

From the first day of class, the instructor attempts to build passion into the cause through storytelling of the success of past students. Built into these stories is the opportunity the current students have to be a part of an educational endeavor that has never been done before on the undergraduate level.

The concept of brand-building also helps to motivate students to continuously enhance the BSN brand so that is always growing stronger for students yet to come.

### **Ownership**

#### Extrinsic

Since 40% of the overall grade in each of the two marketing courses revolves around the achievement of self-determined objectives, students determine how they will be graded at the end of the semester. This tactic helps to foster the fulfillment of goals because students themselves have identified them as attainable.

#### Intrinsic

From day one, students are instructed and then allowed to make all the decisions regarding the

direction of BSN. The instructor only intervenes when a group consensus is not obtained, or if the decisions made are in conflict with marketing principles. The decisions they make are long-lasting, such as the naming and pricing of a particular design, so they understand quickly the importance of their task.

### **Relevance**

#### Extrinsic

Additionally, students hear the oft-repeated advice that all of their experiences in the course will help build their resume and differentiate them from the pack of applicants with whom they will be competing for jobs in the near future.

#### Intrinsic

Students understand quickly that these courses serve as a preview of what their lives will be like once they graduate. For this reason, the workload is generally higher and more self-directed than in many of the other marketing courses offered within the department.

### **Empowerment**

#### Extrinsic

Another motivational component is the ability for students to skip the final exam if they achieve predetermined benchmarks in their campaigns. Cash bonuses are also awarded to student teams who develop buying partnerships with retailers.

#### Intrinsic

Consistently throughout the courses, students are instructed that if they can do all that is required of them in the given semester, they will know what to do when they begin their careers in business. This portion of CORE is the confidence builder. BSN is student-operated, so once they pass the course, these students have greater confidence of what it takes to actually run a business from a marketing perspective.

### **LIMITATIONS**

Although these principles provide a good foundation from which to begin analyzing motivation in the context of student-operated businesses, further research is needed. For instance, a more in-depth comparison between the level of congruity of student and employee motivational factors should be conducted.

Additionally, student testing should be conducted to determine the degree to which the extrinsic and intrinsic motivational factors had an effect on individual achievement in the student-operated business model.

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