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## **(IJ-01) Managing Mergers & Acquisitions Integration: Does your organization have enough integration capabilities?**

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### **ABSTRACT**

Mergers and acquisitions (M&A) are pivotal for rapid business expansion, yet many fail to achieve anticipated synergies, often due to poor post-deal integration, notably in Information Systems Integration (ISI). Success hinges on organizational readiness, especially in managing the complexities of integration. Serial acquirers, with ample experience, tend to fare better, while novices or those with infrequent integration face challenges. The Integration team's capability is paramount, with empirical evidence linking team capability to effective Information Systems Integration (ISI). The paper recommends organizational behavior based six team capability factors for enhancing success of Post-M&A integration projects.

### **INTRODUCTION**

#### **M&A Background & Problem**

Mergers and Acquisitions (M&A) represent pivotal strategies for achieving rapid business expansion, involving significant deal volumes and vast financial investments. Despite their magnitude, research highlights a concerning trend: a substantial portion, estimated between 70% to 90%, of overall M&A transactions fail to realize the anticipated synergies (Christensen et al., 2011). Among the myriads of factors contributing to this failure, post deal integration has

been called out as a the most challenging and contributor phase, which is directly impacting more than 50% of the expected benefits (Sarrazin & West, 2011). A large number of Post-M&A integration failure, especially from Information Systems Integration (ISI), stands out prominently, accounting for one-third of overall M&A failures (Hedman & Sarker, 2015). Such a high failure rate of M&A is unreasonable, unacceptable, and unnecessary (Carleton & Lineberry, 2004).

### **Research Interest**

The central inquiry is exposing strategies for the effective management of Post-M&A ISI projects, aiming to deliver superior combined information systems that generate substantial benefits for the acquiring organization. To address this overarching question, the study was structured around the organizational behavior factors that play a pivotal role in enhancing the integration team's capability throughout the integration.

### **Capability**

The literature suggests that one of the most effective means of achieving competitive advantage is by using the firm's "competencies" or "capabilities" i.e., the capacity to perform a task or activity in an integrated manner and they are building block for core competencies or capabilities (Wernerfelt, 1984, as cited in O'Regan & Ghobadian, 2004). Capabilities are termed "core capabilities" when they bring in a distinct competitive advantage over the other firms. Research have focused on resource-based views of capabilities that brings competitive advantage for a firm (Haspeslagh & Jemison, 1991). Such resources are referred to as a stock of knowledge, physical assets, human capital, and other tangible and intangible factors that a business owns or controls. Capabilities encompasses a large chunk of activities that enables outputs that clearly matter to the organization's survival and prosperity. It refers to an organizational ability to perform a coordinated task, utilizing organizational resources, for the purpose of achieving a particular result (O'Regan & Ghobadian, 2004). Capabilities are the ways that people and resources are brought together to accomplish work which form the identity and personality of the organization by defining what a firm is good at doing and in the end what a firm is, which not easy to measure (Smallwood & Ulrich, 2004). The term

“Capabilities” emphasizes the key role of strategic management in appropriately adapting, integrating, and reconfiguring internal and external organizational skills, resources, and functional competencies to match the requirements of a changing environment (Teece et al., 1997).

### **Types of Capabilities**

Capabilities are commonly recognized as organizational capabilities and dynamic capabilities. Organizational capabilities reside in the corporate culture, and they do not vest in a single individual, embedded in firm routines, and better the capabilities more the efficiency and effectively chosen and implemented the activities necessary to produce and deliver a value to the organization, customers, and stakeholders (Collis, 1994). Each organization has its own resources and people who carry unique strength for its business and part of those are some critical strengths which bring competitive advantages for a firm. Such critical strengths are called organizational capabilities which are integrated set of managerial and technological skills; which are hard to acquire other than by experience; those contribute significantly to realize customer benefits; and those are organization wide applicable (Haspeslagh & Jemison, 1991).

“Dynamic” means the capacity to renew competences to achieve similarity with the changing business environment like responses to critical time, response to technological changes, responses to nature of competition markets changes etc. and “Dynamic Capabilities” is firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece et al., 1997). Dynamic capabilities are embedded in routine organizational processes that guide the evolution of a firm’s resource configuration and operational routines (Helfat & Raubitschek, 2002, as cited in O’Regan & Ghobadian, 2004). The emphasis of dynamic capabilities is on the ability to meet reconfiguration demands under the competitive nature of the business.

### **Importance of Integration team's Capability**

"Value Creation" is the cornerstone of M&A deals, achieved through post-deal integration efforts aimed at fostering synergies across various domains such as cost, revenue, market power, and intangibles. Value is created in M&A when the competitive advantage of one firm is improved through the transfer of organizational strategic capabilities such as business processes and business systems information by operational resource sharing, functional skills transfer, and general management skills transfer (Haspeslagh & Jemison, 1991). The success of integration heavily depends on the collective capability of the Integration Team. Therefore, it is imperative for organizations embarking on integration projects to ensure that their integration teams possess adequate capability, as it plays a critical role in facilitating successful integration. Organizational capabilities reside in the corporate culture, which is embedded in firm routines and becomes critical aspects of capabilities transfer, a core process of Post-M&A integration. Dynamic Capabilities is a firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments as the case of Post-M&A integration. Therefore, integration team's capability is the most driving force to drive the success of the integration and combined organizational systems. The M&A deal itself does not bring the expected benefits, but instead, actions and activities of the members of the integration team determine the results as it is important to obtain the participation of the people from both, acquired and acquiring organizations with careful management of their interactions without compromising the strategic task (Haspeslagh & Jemison, 1991).

### **Research Question and Hypothesis**

As individuals from diverse backgrounds come together to collaborate on Post-M&A ISI integration projects, they are subject to the influence of human factors inherent in such settings, much like any other team. Therefore, the central research question posed is: "Which team capability factors must organizations enhance to achieve a higher success rate in Post-M&A ISI?" The research investigates six organizational behavior factors of team capability—collaboration, communication, commitment, control structure, culture, and knowledge—to assess their impact on the degree of success in Post-M&A ISI. Consequently, the hypothesis posited is: "The higher the degree of each integration team capability factor, the greater the

success rate of Post-M&A ISI."

### Variables

Table 1 presents the list of independent and dependent variables used in this study.

**Table 1**

*Variables*

<b>Independent Variable</b>	<b>Dependent Variable</b>	<b>Comments</b>
<b>Team Capability</b>	Post-M&A ISI	
<b>Team Capability Factors (Collaboration, Communication, Commitment, Control Structure, Culture, and Knowledge)</b>	Post-M&A ISI	Output Group by Post-M&A ISI outcome rating (1 = Extremely Satisfied, 2 = Moderately Satisfied, 3 = Slightly Satisfied, 4 = Neither Satisfied nor dissatisfied, 5 = Slightly dissatisfied, 6 = Moderately dissatisfied, 7 = Extremely dissatisfied) to examine individual influence of team capability factors with respect to outcome of Post-M&A ISI.

## **RESEARCH METHODOLOGY**

This research paper is grounded in quantitative data collected globally via social media platforms in January 2024, forming part of a doctoral dissertation study. Purposeful sampling techniques were employed to select participants, utilizing pre-qualifying questions pertaining to relevant integration experience. The instrument, primarily utilizing a seven-point Likert scale, was developed through an iterative pilot study process.

## RESULTS

### Demographic and Experience Analysis:

The survey recorded 2007 self-reported responses. Out of these, 1499 completed responses were qualified for further analysis which represented a wide spectrum of demographic and experience data. It contained a gender distribution of 60% male, 37% female, and 3% others. Acquirers were predominantly from the Financial Services (20%); Insurance (14%); Medical-Health & Pharma (13%) industries; and others from Technology, Communication, and Software Services; Transportation, Logistics, Shipping, and Delivery; Banking; Airline, Travel, and Tourism; Hotel, Resort, and Casino; Marketing and Advertising; Education; Food and Beverage; and Tax, Audit, Advisory services. North America (56%) was the dominant region followed by Europe (18%) and Central or South America (15%). Most deals were domestic (72%), with integration durations ranging from less than 1 year (12%), 1 to 2 years (26%), 2 to 3 years (29%), 3 to 4 years (19%), to more than 4 years (13%). Integration experience within the past 5 years was reported by 71% of respondents. Post-M&A satisfaction ratings varied, with 36% extremely satisfied, 39% moderately satisfied, 18% slightly satisfied, and neither satisfied nor dissatisfied (5%).

### Team Capability and Success of Post-M&A ISI:

Quantitative analysis was conducted using IBM's SPSS v27, with a Cronbach alpha coefficient of .973 indicating very good internal consistency reliability for the newly developed instrument. A study of Post-M&A ISI team capability across six key organizational behavior factors — Collaboration, Communication, Commitment, Control structure, Culture, and Knowledge — revealed a robust positive correlation between these factors and the overall team's capability. Furthermore, a strong positive association between team capability and the effectiveness of combined information systems was evident ( $n = 1499$ ,  $r = .831$ ,  $p = .000$ ).

The primary focus of the research was to examine the influence of the six individual team capability factors on the success rate of Post-M&A ISI. Regression analysis, with team capability as the predictor and Post-M&A ISI outcome as the dependent variable, demonstrated varying degrees of association, ranging from stronger to weaker as the success rate transitioned

from higher to lower levels of satisfaction, including extremely satisfied, moderately satisfied, slightly satisfied, to neither satisfied nor dissatisfied.

As shown in Table 2, Correlation analysis of Individual Team Capability factors, grouped by Post-M&A ISI outcome, depicts downward trend as the rating moves from extremely satisfied to Moderately satisfied, slightly satisfied and onwards. Also, the adjusted R<sup>2</sup> value at 95% confidence interval clearly showcase the downward trend.

**Table 2**

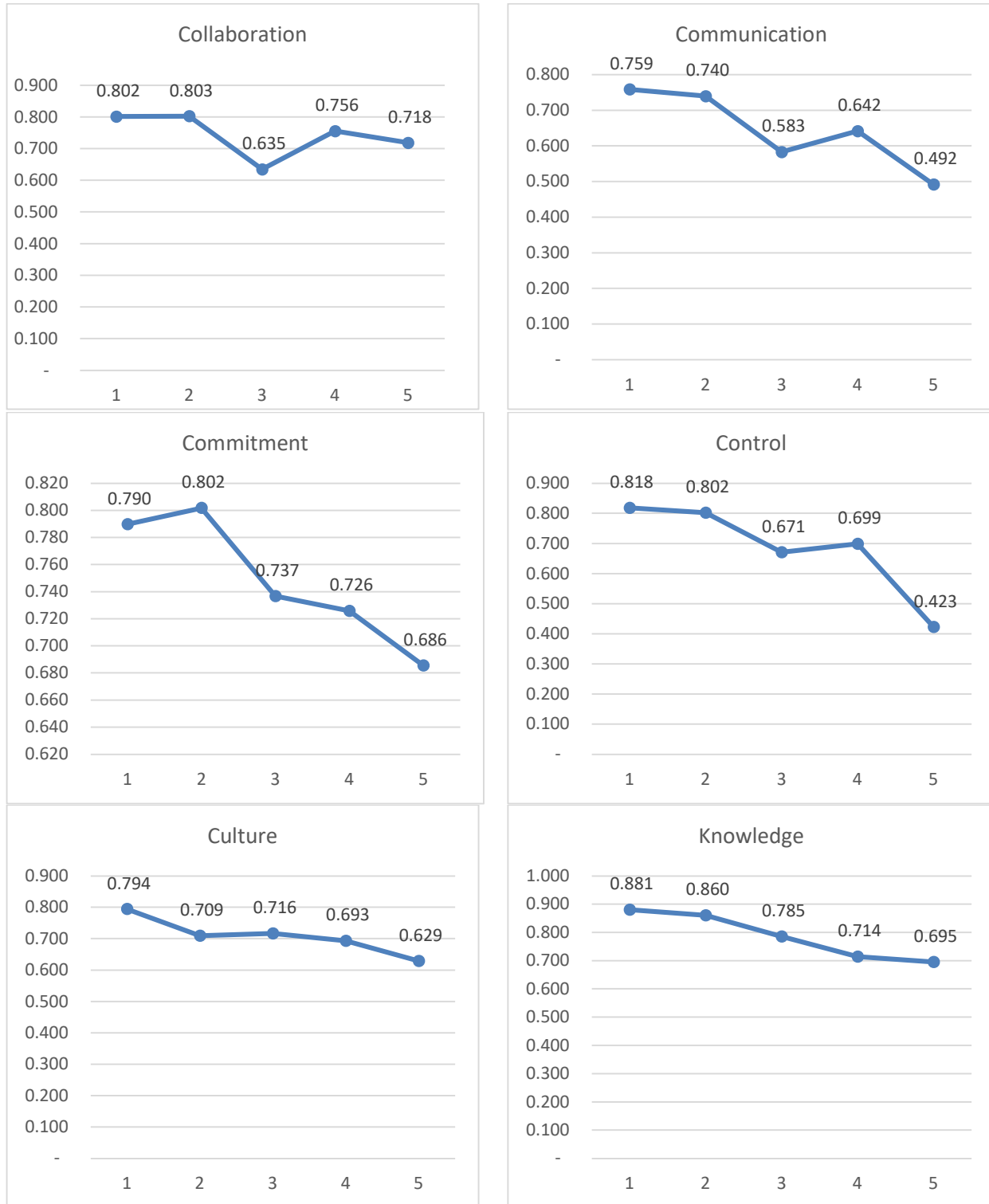
*Correlation Analysis*

r (Pearson Correlation)   $p=.000$										
Order	Rating	n	% of total n	Collaboration	Communication	Commitment	Control	Culture	Knowledge	R <sup>2</sup> - 95% CI
1	Extremely satisfied	539	36%	.802	.759	.790	.818	.794	.881	.842
2	Moderately satisfied	589	39%	.803	.740	.802	.802	.709	.860	.816
3	Slightly satisfied	272	18%	.635	.583	.737	.671	.716	.785	.754
4	Neither satisfied nor dissatisfied (Neutral)	71	5%	.756	.642	.726	.699	.693	.714	.734
5	Slightly dissatisfied	25	2%	.718	.492	.686	.423	.629	.695	.512

Figure 1 is a graphical representation of correlation analysis table with each individual Team Capability factor grouped by Post-M&A ISI outcome to understand the strength of each individual factor on the outcome. Analysis of each individual factor clearly indicates overall on an average downward trend i.e., weaker performance of each individual team capability factor as we compare from extremely satisfied to extremely dissatisfied.



**Figure 1**  
Correlation Analysis of Individual Team Capability Factor



## **INTERPRETATION**

The research investigated the relationship between team capability and the Post-M&A outcome of information systems integration (ISI). Analysis revealed a robust positive correlation ( $n = 1499$ ,  $r = .831$ ,  $p = .000$ ), suggesting that higher integration team capability is associated with greater success in Post-M&A ISI endeavors. Consequently, the six team capability factors - Collaboration, Communication, Commitment, Control Structure, Culture, and Knowledge - demonstrated strong positive correlations with team capability and, by extension, with the success rate of Post-M&A ISI. Individual factor analysis, depicted in Figure 1, further supported these findings. For an example, Collaboration exhibited significantly higher levels when Post-M&A ISI success rates were higher, demonstrating a clear relationship. Conversely, lower success rates were associated with weaker correlations, underscoring the impact of individual team capability factors on overall success. This applies to all individual team capability factors.

Collaboration plays a pivotal role due to its ability to consolidate resources for problem-solving. It goes beyond merely transferring existing knowledge by fostering knowledge creation. Viewed as a collective effort toward shared goals, collaboration combines cooperation and coordinated activities. Its significant outcome lies in its capacity to enhance organizational capabilities through resource transfer or pooling. According to strategy literature, collaboration is driven by the need to acquire resources essential for survival in competitive environments, including assets, intellectual property, personnel, and organizational knowledge. Therefore, organizations are motivated to collaborate to bolster their resource base and competitiveness (Hardy et al., 2003).

Effective communication holds significant importance for integration teams, facilitating quality two-way exchanges within and across organizations. This fosters a positive atmosphere that mitigates negative expectations, fear, and rumors (Marks & Mirvis, 2011). Transparent,

effective, and informative communication reduces stress among integration team members and fosters closer collaboration, thereby enhancing trust during Post-M&A ISI endeavors. Frequent communication between employees of the involved firms is in general a key success factor for the Post-M&A integration (Steigenberger, 2017).

Commitment is pivotal for M&A success, serving as a competitive advantage by safeguarding valuable resources and fostering collective competencies (Camison, 2005). Strong commitment is essential, as it propels organizational capability through the preservation of knowledge and human resources. Post-M&A ISI endeavors demand substantial time and energy from involved resources, potentially affecting routine production and integration support performance. Managers, tasked with both production continuity and acquisition activities, may face challenges in maintaining commitment due to competing responsibilities, particularly when not exclusively dedicated to integration efforts.

Control mechanisms play a crucial role in ensuring organizational goal achievement, especially in the complex setting of Post-M&A ISI. Given the collaboration between teams from both organizations and the inherent challenges spanning various functional areas, controlling integration activities becomes paramount. This involves managing multiple goals and stakeholders, navigating the complexities of communication and cooperation among individuals with diverse backgrounds and levels of knowledge. Leaders must foster the integration of innovative knowledge and address disputes effectively. Thus, a robust control structure, balancing autonomy, and executive decision-making processes, is vital. Additionally, ensuring the quality of deliverables is another important aspect of control in Post-M&A ISI endeavors.

The integration of people and organizations brings forth a convergence of corporate, individual, and team cultures, presenting a myriad of complexities. It is crucial to align organizational and individual cultures early in the integration process to minimize gaps, as greater cultural similarity correlates with enhanced success in Post-M&A ISI endeavors. Successful integration does not demand identical cultures; rather, it entails leveraging the strengths of each culture to complement one another. This approach fosters a harmonious integration, ensuring that cultural

differences do not become insurmountable obstacles (Marks & Mirvis, 2011).

In the context of Post-M&A integration, knowledge emerges as a cornerstone for success. The amalgamation of two entities necessitates a deep understanding of various systems, cultures, and processes to facilitate a smooth transition. Comprehensive knowledge enables integration teams to streamline processes, allocate resources optimally, and accelerate synergy realization. Moreover, it fosters effective communication and collaboration across diverse teams, facilitating alignment and buy-in at all organizational levels. Knowledge thus serves as a guiding light, illuminating the path toward seamless integration and long-term success. Therefore, it comes as no surprise that serial acquirers outperform first timers, given their accumulated knowledge and experience in navigating complex integration processes.

## **CONCLUSION**

Undoubtedly, M&A integration tasks are inherently risky and complex (Savovic, 2012). The interplay between organizational behavior and integration activities is significant, with each influencing the other within the M&A context. Effective management of both aspects is paramount for achieving successful outcomes (Burke & Kovala, 2017). Successful integration relies on active involvement, cooperation, and alignment of personnel, recognizing the combined strengths and capabilities of both entities. This research makes a significant contribution to M&A literature by emphasizing the pivotal role of organizational behavior factors - Collaboration, Communication, Commitment, Control Structure, Culture, and Knowledge - in ensuring the successful delivery of Post-M&A information systems integration. Higher levels of individual team capability factors correlate with overall team capability and, consequently, higher success rates in Post-M&A ISI endeavors.

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## **(IJ-02) Prioritizing Value Stream Management in Military Equipment Production**

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### **ABSTRACT**

Manufacturers in the Defense Industrial Base Sector operate in an important landscape where they must be competitive, lean, and driven to exceed customer's expectations. In this case, the customer is the Department of Defense, representing the greater half of the nation in supporting national defense worldwide. Additionally, quality and on-time delivery are imperative factors because this equipment is needed in the field to support Mission Readiness. Thus, national assets can be sidelined quickly without strong supplier support and quality. With this problem, defense suppliers must find ways to be more efficient and deliver on time with exceptional quality. Undoubtedly, manufacturers should reassess their value stream map to become more efficient and reduce cost savings.

### **INTRODUCTION**

In early 2024, the DOD published its first-ever public strategy for the National Defense Industry Base, shedding light on an insider's perspective of what the DOD is looking for in terms of improvement. Accordingly, the government sees ten important issues it will focus on over the next three to five years, including sub-tier supplier fragility, underutilized multi-use

technologies, procurement instability, limited knowledge of allies' requirements, an inadequate workforce, non-competitive practices, long lead times, lack of DOD market share, and funding uncertainty (Nicastro, 2024). As a national supplier to the DOD, a corporation will have to see how they can support their customer's needs while overcoming these obstacles. Thus, a starting point for the defense contractor is to review its value stream and look to improve lead times, improving quality, and cost savings, meeting their customer's expectations. This research aims to discover the benefits of utilizing Value Stream Management (VSM) to help overcome some of these obstacles.

## **RESEARCH METHODOLOGY**

In this research, value stream management will be analyzed from the perspective of manufacturers in the Defense Industrial Base Sector for responding to the strategy outputted by the DOD in 2024. A case study format will be utilized to ensure the key elements of the DOD Industrial Base sector and equipment manufacturers are cased into the research. The depth will be rapid to ensure a quick turnaround and response to the current issues. Lastly, this researcher's own background of working in the sector and working in the armed forces will also influence the research as well. Being able to see both sides of sides of the argument can add a lot of insight as opposed to just article research for validity.

## **VALUE STREAM MANAGEMENT**

In the age of finding, deriving, and defining key performance indicators, the value stream map quickly reveals much of the heart of the process's true performance. Much of what others in the corporation will want to analyze should come secondary to the value stream map. In essence, when the customer objectively says they are not getting their materials on time, a manufacturer must look for ways to improve without sacrificing quality. More often than not, manufacturers get caught up in adding actions or activities that do not add value, which then starts to slow the process or bottleneck the process.



Under the leadership of Taiichi Ohno, the Lean Thinking strategy was developed and implemented in the Toyota production system with a strong emphasis on eliminating operations that do not add value for the customer (Noto & Cosenz, 2021). Remove the waste as the overall approach stems to make improvements. Ultimately, this concept of lean has become a concept of zero.

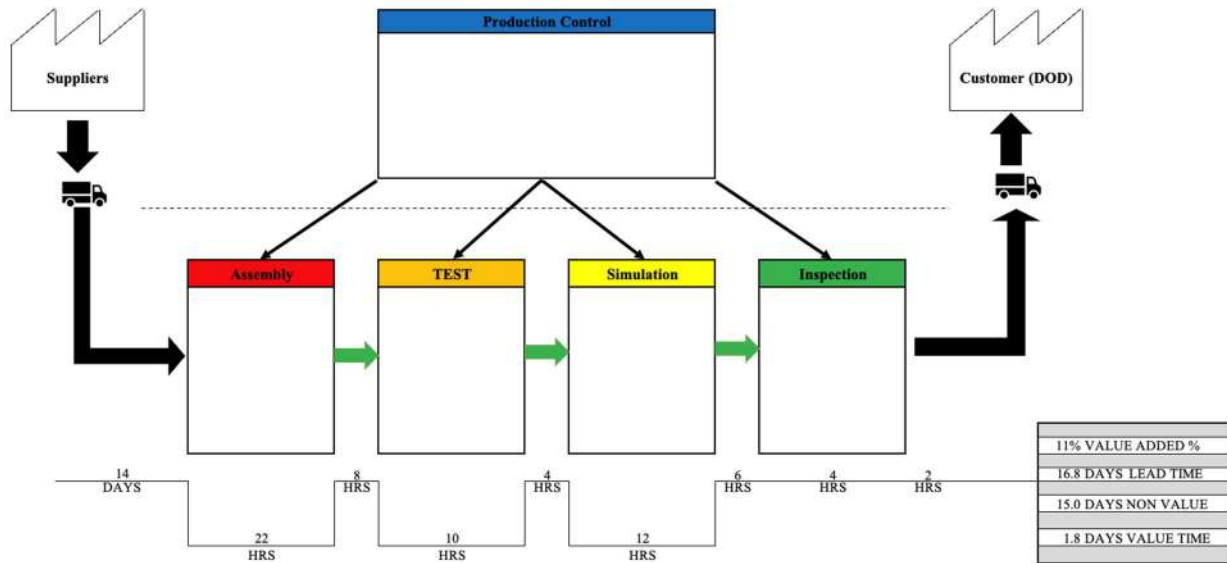
First, the overall goal of safety is zero injuries. A manufacturer cannot continue to operate when injuries and near misses occur; because of this, it opens the door to lost time, lack of trust, government oversight, and legal endeavors. Second, in the concept of zero-defect manufacturing, quality must be achieved by prevention, not levels of quality, and this is elementary to the end user of the equipment, service men, and women worldwide (Leberruyer et al., 2023). Conceptually, this goal is built upon attaining perfection. However, it might become more of a reality with the introduction of artificial intelligence, robotic visual inspections, or other technological advancements on the shop floor. Lastly, the ideal of zero stock comes into principle, with the mindset of just-in-time production to ensure the footprint of stores is reduced (D'Orazio et al., 2020). Overall, this zero-stock idea takes careful planning, projections, and forecasting of outcomes. Much of all, in zero, manufacturers must be able to analyze the paradox known as process.

## **VALUE STREAM MAPPING**

Value stream mapping paints a picture of the process and breaks down the key indexes needing focus. Again, from the DOD's perspective, their expectation is to see improvements in the ten key areas. One major area of improvement is cutting down on supplier lead times and this is where the value stream map can help improve that. See Figure 1 below.

### **Figure 1**

Value Stream Example



Note. The above example shows the process times and efficiency of the manufacturing process. Looking at Figure 1 as an example, a sample manufacturer receives material every two weeks and turns it into a finished product 1.8 days later. Thus, what are the biggest areas to improve upon? The manufacturer could look for additional suppliers to cut the lead time of the material in half. This shows the importance of supplier quality, holding them accountable for their own performance and on-time delivery; this helps with the issue of the sub-tier supplier fragility, as noted for the DOD Industrial Base strategy. From the quality aspect, the manufacturer has to be able to quickly identify the root cause of the defect of their own and their suppliers so they can deter the defects, being able to stop the process before it gets worse (D’Orazio et al., 2020). Quality must meet or exceed the customer's expectations, and it maintains trust in the relationship between suppliers, manufacturers, and the DOD.

Next, if the supplier's lead time is excluded from the calculations, one day of non-value-added activities is required between processes. From the value stream, the manufacturer must look at targets and make incremental changes. For example, how much time is the in-queue time for the test 8 hours compared to the 4 hours for the simulation? Looking for this potential improvement can lead to larger improvements across all the non-value-added areas.

Additionally, layout changes can improve the efficiency of how long units sit before they start the next process and how far they must travel.

Overcoming technological advancements and implementations has been an ongoing factor in a manufacturer's advancement. For example, a manufacturer implemented a newer machine learning program for testing drive pinion and crown wheel gear, which resulted in several misclassifications and false negatives for rework (Leberruyer et al., 2023). Subsequently, this is a strategic concern for the DOD, as previously mentioned. Thus, the use of robots, cobots, AI, automation, and other technological advancements can cut down on process times and can be designed to detect defects. Overall, this implementation can and will improve the value stream, but in the case of business, the return on investment must be there.

## **RESULTS**

The literature, experiences, and reported new strategies of the DOD Industrial Base sector are all intertwined with the current phenomenon occurring in the industry. Overall, analyzing the Value Stream and overseeing the team's performance has value and the potential to take aim at the purported shortcomings of the industry, including sub-tier supplier fragility, underutilized multi-use technologies, procurement instability, limited knowledge of allies' requirements, an inadequate workforce, non-competitive practices, long lead times, lack of DOD market share, and funding uncertainty (Nicastro, 2024). Subsequently, VSM priority strategy aligns well with various shortcomings to help meet or exceed the DOD's expectations.

## **FUTURE RESEARCH**

The dynamics of the value stream map seem to be only one-dimensional. When assessing the layout, improvements could be made to make it more dimensional, adding more factors and, in essence, producing a model. Additional things to consider would be actual costs, both direct and indirect, from the value stream. Not to mention, how are other product lines impacted by

this value stream, or, in terms of capacity, are resources allocated to the optimal position where they need to be in the value stream? This could delve into the inadequate workforce section. Can automation or AI be supplemented to determine daily strategy, with all things considered?

## **CONCLUSION**

This research has presented a valid argument of overcoming the challenges the DOD Industrial Base sector is facing now and over the next several years. This age-old strategy is clear and cuts right to the point of what the company is doing for the customer. Moreover, analyzing lead times, queue times, and process times and looking for ways to simplify the process can add up for a manufacturer. Not to mention, incorporating more advanced technology can help support the inadequate workforce, taking away remedial tasks and using AI to make strategic decisions. Thus, the process and the people will make the value by either adding on or subtracting from.

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## **(IJ-03) Exploring the Impact of AI-Driven Tools in Academia: A Comprehensive Review of Articles**

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### **ABSTRACT**

There has been a significant interest in integrating artificial intelligence (AI) in academic institutions due to its immense potential to revolutionize educational practices and scholarly pursuits. This paper offers a synthesis of 20 scholarly articles investigating the impact of AI technologies in academic settings. The research examines educators' and students' attitudes towards AI tools, the challenges associated with incorporating AI technologies, and the effects of AI on student learning outcomes and academic achievements, aiming to address key research questions. The synthesis of findings sheds light on the varied perspectives surrounding AI implementation in academia, including its advantages, limitations, and ethical considerations. This study comprehensively examines the current landscape of AI-driven tools in educational environments by exploring common themes, potential benefits, conflicting viewpoints, primary

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<sup>1</sup> Supervisor

challenges, ethical dilemmas, and future research directions. It seeks to enrich ongoing dialogues and guide future research endeavors in AI in education. In essence, the paper underscores the transformative potential of AI in reshaping teaching, learning, and research processes within academic institutions. Through a thorough analysis of the implications of AI technologies, the study aims to contribute to advancing discussions and shape the trajectory of research efforts in the field of AI in education.

**Keywords:** Artificial Intelligence; AI-driven Tools; Student Learning Outcomes; Educational Technology.

## **EXPLORING THE IMPACT OF AI-DRIVEN TOOLS IN ACADEMIA: A COMPREHENSIVE REVIEW OF ARTICLES**

Incorporating artificial intelligence (AI) technology is not just a trend but a significant development with notable progress (Ahmad et al., 2021; Gocen & Aydemir, 2020). AI is reshaping the educational landscape, playing crucial roles in student assessment, personalized learning experiences, and teacher support, transforming traditional teaching methodologies (Motlagh et al., 2023). However, despite the undeniable benefits, concerns such as data privacy and algorithmic bias, as highlighted in works by Livberber & Ayvaz (2023), pose substantial challenges for educators in adopting these transformative technologies (Farazouli et al., 2023). The evolution of AI tools within educational settings, including sophisticated generative chatbots and virtual teacher assistants, has led to more interactive and tailored learning journeys. However, the successful implementation of these tools is not solely dependent on the technology itself but also on the attitudes and viewpoints of educators, underscoring their crucial role. Research by Wiggins (2023) underscores the significant influence of educators' attitudes toward adopting AI tools. The U.S. Department of Education (2023) further highlights that AI-powered tools can address workload management issues and enhance student engagement, recognizing the invaluable contribution of educators.

Education can be enhanced in limitless ways with the integration of artificial intelligence. With

AI-powered tools offering tailored pathways, real-time feedback, and innovative solutions to age-old challenges, the future of education is undeniably exciting. Educators and stakeholders alike must navigate the complexities of data privacy, algorithmic bias, and shifting paradigms to embrace AI's transformative potential in education fully. Significant advancements in AI research and collaboration have paved the way for customized and engaging learning environments that prioritize positive student outcomes. The synergies between technology and education are reshaping how we learn and teach, paving the way for a future where every student can thrive.

### **IMPORTANCE OF THE STUDY**

Integrating AI tools in academic settings fortifies teaching and learning by delivering personalized experiences, instantaneous feedback mechanisms, and heightened engagement opportunities (Ahmad et al., 2021; Livberber & Ayvaz, 2023). These tools foster innovation, boost efficiency, and cater to diverse educational needs, thus enhancing personalized learning experiences (Motlagh et al., 2023; U.S. Department of Education, 2023). The overarching objective is not just to equip individuals for a technology-driven future but to create a future where AI tools inspire and transform education, instilling a sense of hope and optimism (Wiggins, 2023; Zhang & Aslan, 2021).

Grasping the impact of AI tools in academic institutions can enhance outcomes, refine teaching methodologies, and shape the future landscape of education (Farazouli et al., 2023; Pigola et al., 2023). Through rigorous research, effective strategies can be formulated to navigate challenges and harness opportunities arising from AI integration (Gocen & Aydemir, 2020; Talwar, 2023), benefiting educators and students. Critical research endeavors are directed towards comprehending perceptions, pinpointing challenges, and evaluating the transformative effects of AI tools on education (Casey, 2022; Seo et al., 2021). These pursuits are aimed at fostering learner-centered approaches, stimulating innovative teaching practices, and fostering a tailor-made learning environment (Chan & Hu, 2023; Owoc et al., 2021), propelling educational technology and evidence-based practices forward (Sabzalieva & Valentini, 2023; Yu, 2024).



AI-powered tools can significantly improve learning experiences and align with positive student outcomes by offering tailored pathways and real-time feedback. Academic literature extensively discusses the significant impact of AI-powered tools in education, focusing on how educators and students perceive these tools, the challenges institutions face, and the learning outcomes. The potential for AI-driven tools to enhance personalized learning experiences is a crucial aspect of this discussion.

### **OBJECTIVE OF THE LITERATURE REVIEW**

The literature review explores the effects of AI-driven technologies in academic settings by examining many essential goals. The study aims to investigate the perspectives of teachers and students, identify obstacles in the implementation process, and evaluate the impact on students' academic achievements (Casey, 2022; Seo et al., 2021). In alignment with the broader objective of advancing educational methodologies through AI integration, these goals advocate for student-centered approaches, foster innovation in teaching techniques, and produce a more exciting and personalized learning environment (Chan & Hu, 2023; Owoc et al., 2021). Achieving these objectives is vital for the evolution of knowledge within the educational technology domain, as it promotes evidence-based practices, informs policy development, and contributes to the ongoing improvement of teaching and learning processes (Sabzalieva & Valentini, 2023; Yu, 2024).

As we explore AI-driven technologies in academic settings, we are on a path to revolutionize education. By understanding the perspectives of educators and learners, overcoming implementation challenges, and improving student outcomes, we are creating a future where innovation and student-focused learning are paramount. By embracing evidence-based practices and a dedication to constant improvement, incorporating AI in education offers a dynamic and rewarding learning experience for all. By embracing AI's potential, we unlock a world of limitless opportunities in educational technology. Together, let us advance and shape the future

of learning with AI as our partner.

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## **(IJ-04) An Analysis of Factors Contributing to Cost Increases in Higher Education**

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### **ABSTRACT**

This paper analyzed the factors contributing to rising costs in higher education, focusing on three main areas: equipment costs, managerial costs, and improvement costs, so it provided an overview of tuition and cost trends in higher education globally, including in Europe, Asia, Africa, and the United States. This paper not only examined how equipment costs relate to investments in technology and online learning infrastructure, but also discussed managerial costs associated with issues like class sizes, student support services, and accommodating diverse student populations. The impact of improvement costs aimed at enhancing educational quality, career preparedness, and student performance is also explored. This paper highlighted the balance between controlling these three cost areas through effective budgeting while continuing to invest in educational access and outcomes, which argued that cost-sharing models involving the government, institutions, students, and families can help address rising costs. This abstract summarized the key points about analyzing and managing the multifaceted expenses influencing the financial landscape of higher education today.

## **AN ANALYSIS OF FACTORS CONTRIBUTING TO COST INCREASES IN HIGHER EDUCATION**

According to Johnstone & Marcucci (2007), more people than ever before are paying attention to the financing of higher education around the world. Tremendous changes in higher educational costs are linked to international funding, which, in turn, has increased through the latter decades of the 20th century and the first decade of the 21st century (Johnstone & Marcucci, 2007). Shenk (2012) mentioned that factors of equipment, management, and improvement costs must be considered by higher educational institutes more globally because they are closely related. The relationship between equipment, management, and improvement costs should be considered carefully in different countries. We know more about higher education in the United States, so the researcher will briefly discuss the tuition financial situation in Europe, Asia, and Africa for background introduction at the beginning of this paper.

From a European students' perspective, public funding influences secondary student enrollment more than it does in the United States. In Europe in 2002, rising tuition and management costs reduced enrollment, as more students relied on public funding to complete their education than ever before. Management costs resulted in a decrease in this much-needed funding. The consequences were quite serious. It was estimated that there would be an additional 40% decrease in enrollment if the cost of education continued to increase in the country (Winter-Ebmer & Wir, 2002).

In 2022, for European Union (EU) citizens, a wide range of universities was accessible to EU citizens free of tuition (Studyportals, 2022). According to the Beyondthestates (2024) group research, the average tuition fee for English-taught accredited bachelor's programs for international students was \$7,390 per year in Europe. Additionally, there were also many zero-tuition programs for international students (Beyondthestates, 2024). However, that is not to say that studying in Europe is cheaper than that in the US entirely. Studying in some European cities can be just as expensive as in the US because students have to take living costs and expenses into consideration (Blake, 2023).

According to the Beyond the States (2024) group research, European tuition fees represent a sharp contrast to the cost of college for four years in the US. The average cost of tuition fees for a student in 2022 living on campus at a public 4-year in-state institution was \$25,707 per year or \$102,828 over four years. Out-of-state students paid \$43,421 per year or \$173,684 in tuition fees over four years (Beyondthestates, 2024). Students at private or nonprofit universities paid \$54,501 per year or \$218,004 over four years (Beyondthestates, 2024). However, the data in the US did not consider transportation costs, daily living expenses, or student loan interest (Beyondthestates, 2024).

From an Asian perspective, money was spent more on equipment costs because they are easily identifiable in government officers' checks and can be used to apply for more government funding. Budget cuts were made on instruction and management, consequently resulting in larger class sizes (Varghese, 2004). For studying abroad in Asia, tuitions differ greatly across different cities. The most expensive four cities are Beijing, Shanghai, Guangzhou, and Shenzhen, which are the four mega cities with the highest costs of living in China (Blake, 2023).

Studying in Africa is considerably cheaper than in the US, Europe, or China. However, the choices are very limited (Blake, 2023). In Africa, they believe that primary education is more significant than higher education, especially in poorer countries. Some students still think enrollment will increase when poverty decreases. However, African governments believe that developing their higher educational system is not an urgent matter, so they cut the budget for higher education by reducing equipment and improvement costs (Bloom, Canning & Chan, 2006).

This paper analyzed factors contributing to cost increases in higher education relative to the following three factors: equipment cost, managerial cost, and improvement costs. Assogbavi (2005) asserted that an analysis of cost factors in higher education should include these three factors. The three main types of cost influence one another as they compete within an

institution's budget. As each is necessary and independent, management of their cooperation is necessary for a smooth-running institution, and even more so for educational expansion (Assogbavi, 2005). Thus, this researcher will discuss these three significant factors in depth, which include equipment costs, managerial costs, and improvement costs.

## **EQUIPMENT COSTS**

Demichel (2000) stated that higher education was presently enduring major changes in equipment developments. Firstly, there was the tremendously fast rate of change in science and technology, which higher educational institutes had to incorporate into their curriculum. The second development was "lifelong learning," which meant that enrollment in higher education might noticeably rise since students would likely be returning for additional training. The student population would be more multicultural than ever before, as students today have different career needs (Demichel, 2000).

Bray (2002) asserted that new technologies largely influenced the redesign of education. Television and radio broadcasts had been used in education for decades, but recent years had brought significant focus on computers and the Internet. The relative costs of computers kept decreasing with the percentage of price to performance. Moreover, at higher levels of education, tuition costs were greater than at the primary level. This meant that new technologies might be more attractive (Bray, 2002). When thinking about equipment costs, the imagination of some people may go to furniture and buildings in universities, but today building a successful online learning community is a more likely equipment cost to incur than a foundational one.

Visser (2003) stated that the challenge of building a successful online educational community was considering its cost-effectiveness. A variety of distance learning programs were based on the idea that lessons should be offered in an accessible format. As noted, many factors were involved in the arrangement, implementation, and maintenance of online educational systems. Personality, differences in opinion, processing knowledge, and behavior or emotional factors



would influence online learning community construction. The following table would demonstrate the relationship of each system to the others and their interactive effects (Visser, 2003). In this situation, actual costs and hidden costs of equipment increased the required budget and thus warranted reconsideration.

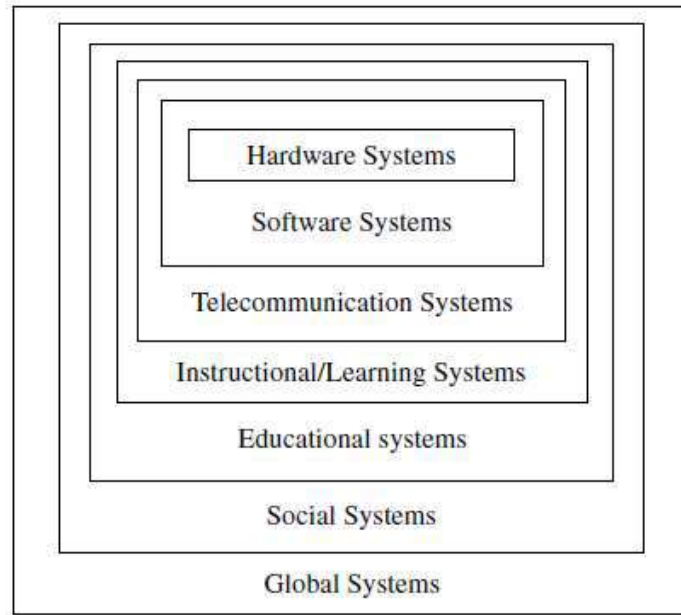


FIG. 1.1. The hierarchy of interacting subsystems that affect distance education.

Melguizo and Cypers (2008) asserted that to facilitate the true cost of higher educational institutes, educators needed to calculate the total cost of higher education with different personal and developmental needs in mind. The actual cost was estimated by adding all the costs and subtracting the financial aid or grants received as profits. The financial aid received from loans was not removed because it was eventually paid back. Direct costs included the cost of tuition, supplies, and living fees. Indirect costs referred to the opportunity costs of attendance in higher educational institutes because students did not have enough time to work when they attended higher educational institutes. Many students had to find part-time jobs to reduce their opportunity costs (Melguizo & Cypers, 2008).

**Barr (2002) asserted that educational financing policymakers should understand institutional needs and recognize financing problems in different universities so that they can ultimately find useful solutions for each of them. Aside from equipment costs, institutions must account for managerial costs.**

## **MANAGERIAL COSTS**

Mitch (2004) stated that in recent decades, a variety of religious, state, and non-profit higher educational institutes had developed. Higher-level education could be involved in regular markets, despite its need to keep up with globalization. There were two major considerations involved - managerial costs on education relative to national income. First, managerial costs increased with school size and public service needs for clients of different ages. Second, multicultural enrollments at different levels of education brought more costs and challenges in higher educational management (Mitch, 2004). This may have been due to the need to provide special accommodations for these students.

Mitch (2004) asserted that students' attendance was related to the funding and management of schooling. While some publicly funded institutions were largely funded by government agencies, others did not have a shared responsibility for their institution. The private higher educational institutions included both for-profit and non-profit institutes run either by religiously associated organizations or by charitable organizations. Traditionally, public institutions were concerned with minimizing the extra resources necessary to develop educational models (Mitch, 2004).

Greenaway and Haynes (2004) mentioned that educational administrators needed to consider the potential repercussions of small classes for students. There was no perfect answer for how much cost would be incurred when reducing class size or whether it would increase student performance. The costs in decision-making processes should aim for the most practical decision (Greenaway & Haynes, 2004). Students could study in more friendly and intimate surroundings by limiting enrollment. Students and faculty were getting closer to one another, which enhanced

effective communication (Cohn & Cooper, 2004). Educational institutions should try their best to increase the friendly environment for professional teaching developments to enhance students' academic performance.

## **IMPROVEMENT COSTS**

Steven and Stevens (2004) asserted that there were two essential associations between economic price increases and education. First, at the common level, living standards had risen over the last millennia, and this included the cost of higher education since 1800. More people realized that higher education was necessary to help people from multiple areas. Secondly, individual income affected the money available to be spent on the level of education. People spending time on higher educational pursuits could earn more than others, so the pursuit of higher education could be considered an investment. It was hard to be absolutely satisfied with education during economic hardships (Steven & Stevens, 2004).

Johnstone (2009) claimed that the rising costs led to some limitations for students academically, such as they could only choose institutions with low tuitions, for example, public universities or online universities. Some may even have had to give up their higher educational pursuits altogether. Financial situations influenced student enrollment at private and public higher educational institutions all over the world (Johnstone, 2009). Cost sharing may have been an effective way for students to attend higher educational institutes. Johnstone (2009) pointed out that when financial assistance for needy students was made available, cost sharing was usually efficient.

Altbach, Reisberg, and Rumbley (2009) stated that cost acted as a huge barrier to the access of higher education. Even when tuition was cheaper, students had to take on indirect expenses such as living fees and other hidden costs. Scholarships and loan programs represented some amount of achievement in this arena, but could not by themselves solve the problem. Fear of debt acted as a great deterrent for needy families (Altbach, Reisberg & Rumbley, 2009).

Zumeta (2010) stated that there has been unpredictable and declining state support for higher education in recent decades, meaning that students and families pay more than the government does. This historical perspective helps us predict the outcome of federally guaranteed student loan programs, which have reduced interest rates since the 2008 economic downturn. Additionally, the program restricted the amount of money students could borrow after a certain number of years (Zumeta, 2010). Johnstone (2003) mentioned that the shift in higher educational costs burdens both governments and taxpayers, as well as students and their families. Students and parents bear the total cost of higher education. Sharing costs is always a contentious topic for students. The government wants parents to pay more, but parents want the government to pay more.

Johnstone (2003) admitted that we know very little about the impact on accessibility when considering shifting to a model that incorporates cost sharing. Generally speaking, low-income youth are impacted. Financial assistance is meant to be the great equalizer between rich and poor families. Regardless of students' family income, either grants or loans should provide tuition for students who are eager to borrow (Johnstone, 2003). Sharing costs may be the best choice for students. If the government, parents, and students jointly take responsibility to provide high-quality education, our society will benefit tremendously.

Schultz (2004) stated that in American higher educational institutions, some professional programs show more success in the private sector than in the public sector. Private higher educational institutions emerge more in developing markets than public higher educational institutions. Most public higher educational institutions may be limited by public service systems and human resources rules that limit their hiring and firing abilities. Private higher educational institutions will charge students the full costs for training; thus, they locate a competitive market price, which should help public institutions manage their own fees and tuition. Several requirements for admissions in funded public higher educational institutions can spill over into the private sector (Schultz, 2004).

On the other hand, Schultz (2004) asserted that individuals willing to pursue professional

training may still do so, even if they cannot meet the requirements for admission into the main public institutions. The growth of private institutions of higher education may lead to the establishment of lower-quality private schools catering to the upper middle classes. Examples of such institutions can be found in fields such as business, accounting, secretarial studies, and technical skills related to the repair and use of new information technologies. The government might retain the role of administering expertise exams to establish standards for the quality of individual preparation aimed at professional goals in both the private and public sectors (Schultz, 2004).

Bradley and Taylor (2004) mentioned that diverse approaches to higher education have been implemented around the world, all with the general goal of enhancing students' careers. Moreover, there is scant evidence that improvement costs are correlated with student performance. Higher educational institutions that rely on tuition payments tend to place greater emphasis on student performance compared to nonprofit institutions (Bradley & Taylor, 2004).

In summary, a well-prepared financial budget is a vital element in today's higher education systems. Such budgets must take into account equipment costs, managerial costs, and improvement costs. Equipment costs encompass both actual and hidden expenses associated with the facilities of higher educational institutions. Management costs relate to program or project performance across various programs. Improvement costs are necessary and essential because development is a primary goal for all institutions.

To control the three aforementioned types of costs, educators and educational administrators should conduct research on the economic background of different higher educational institutions and find ways to reduce educational expenses. This can be achieved by employing on-campus students rather than hiring off-campus temporary workers. Additionally, offering practical and relevant career-related programs to enhance students' marketability is crucial, as it instills confidence in students and parents who may have reservations about such a significant investment. Moreover, allocating government funding more universally and addressing market demands by expanding student loan programs will help establish freedom of choice in the

higher educational system.

In conclusion, Bloom, Canning, and Chan (2006) asserted that higher education can yield both public and personal gains. The private benefits for individuals are well-documented and may lead to an improved quality of life, including higher salaries and a better capacity to save and invest, ultimately resulting in better health and an overall improved quality of life (Bloom, Canning & Chan, 2006).

After reviewing numerous educational articles, the researcher believes that the relationship between costs and ideas in higher educational institutions can lead to many changes. Two hot topics are how to control expenses in higher education and how to enhance temporary work opportunities for students. First and foremost, effective budgeting is essential. Educational administrators should manage equipment costs, management costs, and improvement costs carefully. Secondly, schools should strive to hire more students to work in departments like new student orientation and student services. This will save money for schools as students can finance their education, and schools can pay them less than normal labor costs, achieving two goals simultaneously. Private tutoring is another realistic way for college students to earn money. Universities could provide these services for elementary or high school students and arrange college student tutors.

These changes and other innovations should pave the way for a better educational system. At the end of this paper, the researcher still poses four philosophical questions for readers to explore further research and speculations in the future:

What are the hidden costs of higher education?

What are the opportunity costs for students?

Who will pay the tuition in higher education?

What is the ultimate goal of the budget in higher educational systems?

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## **(IJ-05) Strategic Symphony: Rajeev Pant's Real Estate Odyssey in Turbulent Times**

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### **INTRODUCTION**

In the labyrinth of real estate investments, Rajeev Pant stands at a crossroads, facing the daunting challenge of navigating a rapidly changing real estate market. He was a property manager, managing his parent's assets, with a brief stint in the defense and aerospace industry. His career commenced in the residential sales department, promoting apartments developed by his father in Telangana, India.

Evolving alongside his father's company, which transitioned from construction to consultancy and investment, Rajeev assumed the role of a property manager, overseeing and maintaining his family's extensive real estate assets. His journey, marked by adaptability, further explores diverse career paths, including a foray into the defence and aerospace industries. Rajeev's professional odyssey delves into the complexities of real estate investments in the face of a swiftly changing commercial market, unravelling the principles that underpin success, amidst market fluctuations and economic challenges.

## **BACKGROUND**

Rajeev Pant's journey in the realm of real estate is a testament to his dynamic and versatile career path. His initiation into the industry began alongside his father, engaging in the sale of residential flats in Telangana, India. This early exposure to the intricacies of real estate set the stage for Rajeev's multifaceted career, showcasing his adaptability across various domains.

Before delving into real estate, Rajeev ventured into mechanical engineering, where he honed his skills and knowledge. His career took a turn towards defense and aerospace, demonstrating a capacity for navigating diverse professional landscapes. During this phase, he spent six years supervising and counselling over 20 fabrication workers, playing a pivotal role in fostering their development. His responsibilities extended to project planning, process planning, and personnel scheduling, where he implemented problem-solving tactics to enhance manufacturing process efficiencies.

Rajeev's proficiency extends beyond the technical realm, encompassing financial acumen, legal expertise, and tax knowledge. In his role managing the finances of a real estate consulting and investing firm, he showcased his prowess in financial analysis, ROI calculations, budgeting, and risk assessment. Moreover, his legal acumen was brought to the forefront as he drafted and proofread contracts, demonstrating a keen understanding of the legal intricacies of the real estate landscape. His negotiation skills further underscored his ability to navigate complex legal frameworks.

In the arena of real estate investing, Rajeev proved to be a strategic player. He conducted comprehensive market analyses to decipher local real estate trends and demographics, laying the groundwork for informed decision-making. Thorough research on properties and investment opportunities showcased his commitment to due diligence. His negotiation skills were once again put to the test as he navigated deals with stakeholders, effectively managing property-related responsibilities. The establishment of clear and effective communication with all involved stakeholders, highlighted his interpersonal skills and ability to build collaborative relationships.

Rajeev's history in real estate is not only marked by transactional excellence but also a nuanced understanding of regulatory frameworks. His background in interacting with regulatory agencies and municipal entities reflects a commitment to compliance and a thorough grasp of the legal and administrative aspects of the real estate industry. Through his journey, Rajeev Pant has emerged as a well-rounded professional, seamlessly integrating technical expertise, financial acumen, legal knowledge, and interpersonal skills into his diverse career in real estate.

### **HYDERABAD, INDIA MARKET SNAPSHOT**

In February 2023, Hyderabad marked the registration of 5,274 residential units, amounting to ₹2,816 crore (India currency). Knight Frank India noted a 3% YoY (Year over Year) decline in house sales registrations and a 1% YoY fall in registration income for the month. The residential market, segmented across districts, showed properties between ₹2.5 to 5 million, accounting for 51% of registrations, while properties under ₹2.5 million remained stable at 18%. Homes priced above ₹1 crore saw an increase to 10%. Homes sized 500-1000 square feet (sq. ft.), experienced an 18% rise, and although homes sized 1,000-2,000 sq.ft. retained the largest share at 68%, it decreased from 73% in February 2022. Medchal-Malkajgiri led in registrations with 43%, followed by Ranga Reddy at 39%, and Hyderabad district contributing 15%. The average price of transacted residential properties increased by 3% YoY, with Sanga Reddy district experiencing a notable 9% YoY surge, indicating a rise in higher-value property sales.

### **CASE SITUATION**

Rajeev Pant, a dedicated professional in the realm of real estate investing and portfolio management, finds himself at a crucial juncture in his career. The turning point is not a typical market fluctuation or economic downturn; rather, it arises from the inheritance of his late mother's assets following her recent passing. This unforeseen circumstance propels Rajeev into a complex dilemma, testing his strategic mindset and decision-making prowess.

Rajeev's professional journey has been marked by adaptability and a keen understanding of the ever-evolving real estate landscape. Starting with the sale of residential flats on behalf of his father in Telangana, India, he seamlessly transitioned into the role of a property manager as his father's company shifted its focus to consultancy and investment. His diverse experiences, including a foray into the defense and aerospace industries, have shaped his versatile skill set, showcasing his openness to exploring different professional domains.

As Rajeev's career flourished, he laid the groundwork for his personal real estate investment during his tenure in the defense and aerospace industry. However, this plan faced a temporary setback due to the unforeseen challenges brought about by the COVID-19 pandemic, coinciding with his mother's battle against cancer. During the pandemic-induced hiatus, Rajeev diversified his financial knowledge by venturing into the stock market, investing in shares, mutual funds, index funds, and tax-saving bonds.

Remarkably, his stock investment witnessed substantial growth, reaching a value of 2100 INR (India currency) from the initial 100 INR per share. Additionally, his prudent choice of tax-saving funds and bonds proved to be valuable tools for mitigating tax liabilities. Yet, amidst these financial triumphs, Rajeev found himself grappling with the dual-edged challenge and opportunity presented by his inheritance.

Rajeev is faced with three choices with the inheritance he received upon his mother's passing. The first choice revolves around deciding whether to incur substantial capital gains tax on the inherited assets. The second choice is to explore tax exemptions by investing in residential property under IT section 54 F. The timing of this decision is notably unfavorable, as the real estate market in Telangana remains resilient and flourishing, defying the expected post-pandemic downturn. Rajeev, known for seizing opportunities during market challenges, now faces the intricate task of balancing financial implications with prevailing market conditions.

Pros of Choice 1	Cons of choice 1
1) <b>Immediate Liquidation:</b> Incurring capital gains tax allows for immediate access to funds without tying them up in real estate.	1) <b>Tax Liability:</b> Substantial capital gains tax could significantly reduce the inherited assets.
2) <b>Market Independence:</b> Not dependent on the real estate market's future fluctuations.	2) <b>Missed Investment Opportunity:</b> If the real estate market continues to flourish, choosing not to invest may result in missed potential gains.

The second choice amplifies the complexity of Rajeev's decision-making. To claim exemption under IT section 54 F, he must invest in two single-family homes whose rental yield may not make immediate sense but is anticipated to appreciate two-fold in 5 to 7 years, yielding a substantial rental income.

Pros of Choice 2	Cons of choice 2
1) <b>Tax Exemption:</b> Eligibility for tax exemption under IT Section 54 F.	1) <b>Initial Low Rental Yield:</b> The immediate rental income may not be substantial, impacting short-term cash flow.
2) <b>Future Appreciation:</b> Anticipated two-fold appreciation in 5 to 7 years.	2) <b>Market Dependency:</b> Success depends on the real estate market's growth aligning with expectations.

The third choice further complicates Rajeev's predicament, involving the claim of exemption by purchasing land and constructing his own multi-family home (5). This entails buying land at a

fair value to achieve a great rental yield and appreciation 5-7 years down the line.

Pros of Choice 3	Cons of choice 3
1) <b>Tax Exemption:</b> Qualifies for exemption by constructing a multi-family home under IT Section 54 F.	1) <b>Construction Risks:</b> Inherent risks and uncertainties in the construction process.
2) <b>Control over Property:</b> Construction allows for customization and control over the property.	2) <b>Extended Timeline:</b> Construction may take time, delaying potential rental income.

## CONCLUSION

Rajeev's decision-making process is indeed intricate, involving three distinct choices with significant financial and market considerations. The first choice revolves around the dilemma of capital gains tax versus exploring tax exemptions through residential property investment under IT section 54 F. The timing, given the resilient real estate market in Telangana, adds a layer of complexity to this decision. While tax exemptions are attractive, the potential capital gains tax liability poses a challenge, and the decision must carefully weigh the current market conditions. The second choice introduces another layer of complexity, requiring Rajeev to invest in two single-family homes to claim exemption. The challenge here lies in the anticipation of a two-fold appreciation in 5 to 7 years, as the immediate rental yield may not be substantial. This decision demands a long-term perspective, balancing short-term financial implications with the expectation of future appreciation and rental income.

The third choice further complicates Rajeev's predicament by involving the purchase of land and construction of a multi-family home. This option necessitates strategic decisions in acquiring land at fair value to ensure a great rental yield and appreciation in the 5–7-year timeframe. The complexity here lies in managing the construction process, potential market

fluctuations, and the uncertainties associated with real estate development.

In conclusion, Rajeev faces a multifaceted dilemma that requires a delicate balance between immediate financial considerations, tax implications, and the anticipation of future market dynamics. Each choice presents its own set of challenges and trade-offs, making the decision-making process a complex task. Rajeev must carefully evaluate the financial risks and rewards, consider his risk tolerance, investment goals, and the ever-changing dynamics of the real estate market. Ultimately, the optimal decision will depend on Rajeev's unique financial situation, objectives, and his ability to navigate the complexities inherent in each choice. What should Rajeev do?

## **TEACHING NOTE: STRATEGIC SYMPHONY: RAJEEV PANT'S REAL ESTATE ODYSSEY IN TURBULENT TIMES**

### **SYNOPSIS**

This case study revolves around Rajeev Pant, a seasoned professional in real estate investment and portfolio management. Facing a critical juncture in his career due to the unexpected inheritance of his late mother's assets, Rajeev must make strategic decisions regarding the management of these assets. The case presents three distinct choices, each with its pros and cons, adding complexity to Rajeev's decision-making process. These choices involve considerations of capital gains tax, tax exemptions under IT Section 54 F, immediate financial gains versus long-term appreciation, and the uncertainties of the real estate market.

**Key Words:** Real Estate Investments, Market Dynamics, Property Management



## **LEARNING OBJECTIVES**

1. Students will understand the complexities of real estate investment decisions in the face of changing market dynamics.
2. Learners will analyze the trade-offs between immediate financial gains and long-term appreciation in real estate investments.
3. Students will evaluate the impact of tax implications on investment decisions.
4. Students will explore the challenges and opportunities associated with different investment choices in the real estate sector.
5. Learners will develop a strategic mindset for decision-making in a dynamic and uncertain business environment, inclusive of a one's personal life challenges.

## **DISCUSSION QUESTIONS**

1. How does Rajeev's diverse professional background contribute to his skill set in managing real estate investments?
2. What are the key factors Rajeev needs to consider when deciding between incurring capital gains tax and exploring tax exemptions through residential property investment?

## **TEACHING TIPS**

1. Encourage students to research and understand the real estate market conditions in Telangana, considering the data provided in the Market Snapshot.
2. Explore the implications of the COVID-19 pandemic on Rajeev's initial real estate investment plan and his subsequent diversification into the stock market.
3. Emphasize the importance of thorough due diligence, market analysis, and risk assessment in real estate investment decisions.

4. Discuss the broader economic and regulatory context that might impact Rajeev's decision-making.
5. Breakout into small groups and play the monopoly board game in the lecture following this case study presentation.

## **DISCUSSION QUESTIONS AND SUGGESTED ANSWERS**

1. How does Rajeev's diverse professional background contribute to his skill set in managing real estate investments?
2. Suggested Answer: Rajeev's background in mechanical engineering, defense, and aerospace industries, provides him with a versatile skill set, including technical expertise, financial acumen, legal knowledge, and interpersonal skills. This diversity allows him to navigate the complexities of real estate investments effectively.
3. What are the key factors Rajeev needs to consider when deciding between incurring capital gains tax and exploring tax exemptions through residential property investment?
4. Suggested Answer: Rajeev should consider factors such as immediate liquidity, market independence, tax liability, missed investment opportunities, tax exemption eligibility, rental yield, and future appreciation. The decision should align with his financial goals and risk tolerance.

## **EPILOGUE**

Rajeev claimed the exemption and bought a piece of residential land and constructed a multifamily home which is currently, at the time of this writing, giving him a 6% rental yield, with the potential to increase to 8% by the end of the current year. The property value has already doubled because of its healthy ROI and rental yield. Rajeev is currently waiting for the right time to refinance this property and use that money to invest in other opportunities.

## **(IJ-06) Leadership Drought in NSW Australia**

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### **INTRODUCTION**

In the vibrant coastal enclave of Bondi, where every wave whispers stories of community and culture, Paul Smith, the determined owner of "Ocean Breeze Café," faces a challenge as formidable as the ocean's embrace. Bondi is not just a surfers' paradise; it's a haven for coffee enthusiasts where each sip tells tales of the multicultural rhythm that pulses through New South Wales (NSW), Australia. Paul, a seasoned entrepreneur with a passion for perfecting the art of coffee, finds himself at the helm of an establishment, synonymous with the heartbeat of Bondi's bustling lifestyle.

As the sun-kissed sands of Bondi echo with laughter and the tantalizing aroma of freshly brewed coffee drifts through the air, Paul grapples with a dilemma that reverberates beyond the walls of his café. The coffee culture, a cornerstone of daily life in New South Wales, thrives, but a leadership drought shadows the hospitality industry community where the café is known.

Paul, embodying the spirit of a coastal pioneer, is on a quest for more than just a café manager. His journey delves into the essence of coffee culture and the art of finding a leader who not only manages, but dances with the eclectic symphony of its diverse clientele. The stage is set, the aroma tantalizing, as Paul steers himself for the challenge that will not only shape the destiny of his "Ocean Breeze Café," but also contribute to a broader narrative of leadership resilience in the NSW hospitality landscape.

## **COMPANY HISTORY**

In the heart of Bondi Beach, Australia, Paul Smith, a coffee lover and entrepreneur, founded Ocean Breeze Café over a decade ago. With a passion for creating a welcoming atmosphere and a love for coffee, Paul envisioned a place where people from all walks of life could come together and enjoy a delicious cup of coffee.

Ocean Breeze Café quickly became a popular spot for Bondi locals and tourists alike. Paul's dedication to crafting the perfect cup of coffee, and his commitment to using high-quality ingredients, attracted coffee enthusiasts from all over the world. The café's menu, inspired by the multicultural influences of Bondi, offered a variety of flavors to satisfy a wide range of tastes.

As the years passed, Ocean Breeze Café continued to evolve and adapt to the changing needs of its customers. The café introduced new training programs for its staff, collaborated with local coffee experts, and implemented innovative recruitment strategies to ensure that it remained a premier coffee destination.

Today, Ocean Breeze Café is more than just a place to get a cup of coffee. It is a community hub where people can connect, relax, and enjoy the vibrant atmosphere of Bondi Beach. Paul Smith's vision has been realized, and Ocean Breeze Café continues to be a beloved part of the Bondi community.

## **INDUSTRY BACKGROUND**

The coffee industry in New South Wales is a thriving sector that is constantly evolving. With a strong consumer base and a growing demand for high-quality coffee, there are many opportunities for businesses to succeed in this market. However, the industry is also becoming increasingly competitive, and businesses need to be innovative and adaptable to stay ahead of the curve.

Coffee drinking is very popular in (NSW), Australia. In fact, a 2022 study by McCrindle Research found that 88% of Australians drink coffee, with 27% saying they cannot survive the day without it. This makes Australia one of the top coffee-consuming countries in the world (McCrindle 2022). There are a number of reasons why coffee drinking is so popular in NSW. First, NSW is a fast-paced state, and coffee is seen as a way to boost energy and productivity. Second, NSW has a large multicultural population, and coffee is a popular drink in many cultures. Third, NSW has a thriving coffee culture, with many cafes and roasters offering high-quality coffee.

While coffee drinking is not essential for survival, it is an important part of the daily routine for many Aussies. Coffee is often used to socialize, network, and relax. It is also a popular way to start the day or take a break from work.

Coffee provides a source of high-quality employment in NSW. The coffee industry offers a range of career opportunities, including roles such as barista, barista trainer, roaster, and cafe manager. However, there is a notable talent shortage in the field of hospitality management that needs to fill these positions in NSW.

## **SITUATION**

In Bondi, New South Wales, Paul Smith, the visionary owner of "Ocean Breeze Café," finds

himself at the epicenter of a challenging conundrum. Paul faces the formidable task of securing a skilled café manager for Ocean Breeze Café. Bondi's thriving coffee culture, integral to the daily routine of its diverse population, amplifies the urgency of the situation. The backdrop of a broader leadership drought in the New South Wales hospitality industry is evident, where the demand for skilled managers outpaces the available talent pool.

Within the nuances of the coffee industry in NSW, it becomes evident that its challenge extends beyond a mere recruitment hurdle. The café's success is intricately woven into the fabric of Bondi's identity, making the quest for an ideal manager not just a strategic imperative for Ocean Breeze Café, but a narrative that resonates with the broader leadership challenges faced by the NSW hospitality landscape.

Paul's determination and the café's commitment to not merely serve coffee, but to curate an experience is palpable, unraveling the complexities of talent recruitment, leadership shortage, and the dynamic interplay between culture and business in the realm of coffee hospitality.

The challenge is not merely finding a manager; it's about securing a leader who can orchestrate the symphony of flavors, navigate the multicultural nuances of Bondi, and contribute to addressing the wider leadership drought plaguing the NSW hospitality industry.

## **CONCLUSION**

As the day winds down at Bondi's Ocean Breeze Café, the focus shifts from the bustling coffee cups to the strategic steps taken by Paul Smith in addressing the café's leadership challenges. Paul emerges not just as an owner, but as a pragmatic steward, steering the café through a leadership shortage with determined resolve. The revamped strategies, including partnerships, diversity initiatives, and innovative recruitment, underscore that Ocean Breeze Café is not merely on the hunt for a manager, but is actively shaping a lasting legacy.

Paul's journey goes beyond recruiting talent. It stands as a practical example of leadership's

impact, the harmonious blend of cultural diversity with business acumen, and the continuous pursuit of excellence in the hospitality industry. In the end, Paul asks himself: Will the next manager not only excel in coffee craftsmanship but also contribute to the enduring legacy of the café, playing a part in the broader story of leadership resilience in New South Wales? Paul wonders if his strategies for finding a leader to run his café will work. If he can't find the leader with his current strategy; what should he do?

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## TEACHING NOTE: LEADERSHIP DROUGHT IN NSW AUSTRALIA

### SYNOPSIS

Paul Smith's "Ocean Breeze Café" in Bondi, New South Wales, faces a daunting challenge in finding a skilled café manager in a thriving coffee culture. The case highlights the broader issue of the leadership drought in NSW's hospitality industry, where coffee is an integral part of daily life.

**Key Words:** Coffee culture, Café management, Leadership shortage, New South Wales, Hospitality industry, Talent recruitment.

## LEARNING OBJECTIVES

1. Students will understand the challenges and opportunities in the coffee industry, particularly in New South Wales.
2. Students will develop strategies for talent recruitment and management in a competitive and culturally diverse market.

## DISCUSSION QUESTIONS

1. What factors contribute to the popularity of coffee in New South Wales and its significance in daily life?
2. How can Paul Smith's "Ocean Breeze Café" address the leadership shortage in the hospitality industry and find the ideal café manager?

## TEACHING TIPS

In order to effectively teach the Paul Smith "Ocean Breeze Café" case study, instructors can structure the class into two distinct phases, each focusing on different aspects of the case study's learning objectives.

### Phase 1: Research and Analysis

Begin the class with an engaging introduction, contextualizing the significance of the coffee industry in New South Wales and the challenges faced by Paul Smith's "Ocean Breeze Café." Provide students with background information on the coffee culture, leadership shortage in the hospitality industry, and the specific talent recruitment issues the cafe is experiencing. Break the students into small groups and assign each group to research and present case studies of successful cafe management strategies in environments similar to "Ocean Breeze Café." Encourage them to explore how these cafes addressed challenges, attracted customers, and



managed operations effectively. During group presentations, foster a dynamic discussion by asking probing questions that prompt critical thinking about the strategies presented. This phase aims to build a foundation of understanding about successful cafe management in similar contexts.

### **Phase 2: Application and Innovation**

Transition to the second session with a recap of the first, reinforcing key concepts learned from the case studies. Shift the focus to the practical application of knowledge by discussing talent recruitment and multicultural customer service challenges faced by Paul Smith's "Ocean Breeze Café." Conduct a group discussion on the challenges of providing multicultural customer service in the hospitality industry, encouraging students to share insights and propose solutions. Following this, explore innovative approaches to attracting and retaining talent in the coffee and hospitality sector. This could involve brainstorming sessions, case discussions on successful talent strategies from other industries, and group activities to devise innovative solutions tailored to the specific challenges faced by the cafe. The session should conclude with a reflection on the holistic understanding gained about cafe management, from multicultural customer service challenges to innovative talent strategies, preparing students for real-world scenarios in the hospitality industry.

### **DISCUSSION QUESTIONS AND SUGGESTED ANSWERS**

1. What factors contribute to the popularity of coffee in New South Wales and its significance in daily life?

Answer: Factors include the fast-paced lifestyle, multicultural population, and a thriving coffee culture. Coffee serves as an energy booster, a social activity, and a daily routine essential for many residents.

2. How can Paul Smith's "Ocean Breeze Café" address the leadership shortage in the hospitality industry and find the ideal café manager?

To effectively address the leadership shortage in the hospitality industry and find the ideal café manager for Paul Smith's "Ocean Breeze Café," implement the following strategies:

Partner with local hospitality schools where he could establish connections with local hospitality schools or culinary institutions to identify promising candidates who are eager to gain hands-on experience. Collaborate with these institutions to develop internships or apprenticeship programs that provide potential café managers with the necessary training and mentorship.

Offer competitive compensation and benefits that attract top talent by offering competitive salaries, benefits packages, and incentives that align with industry standards. Consider offering flexible scheduling options, health insurance coverage, tuition reimbursement programs, and employee discounts to stand out from competitors.

Create a positive work environment that encourages employee engagement and retention. Promote a culture of respect, teamwork, and open communication to create a workplace where employees feel valued and appreciated.

## **EPILOGUE**

The quest for the perfect café manager by Paul Smith at "Ocean Breeze Café" unfolded with a renewed emphasis on identifying talent, possessing not only exceptional management skills, but also a profound understanding of the intricate nuances of coffee culture, and a keen awareness of the diverse clientele that frequented the establishment. Despite persistent challenges in the face of the ongoing leadership shortage, the café, under the stewardship of its owner, Paul Smith, took innovative strides to secure a position as the premier coffee destination in Bondi while contributing to the resolution of the broader leadership drought affecting the New South Wales hospitality industry.

In navigating these challenges, Paul Smith adopted a multi-pronged strategy to attract, train,

and retain top-tier talent. This included forging strategic partnerships with local coffee connoisseur organizations, allowing aspiring managers to engage with industry experts and deepen their knowledge of the intricacies of coffee preparation and culture. The café also implemented an immersive training program, blending traditional managerial skills with specialized modules focusing on customer engagement within a multicultural context. Recognizing the importance of fostering a sense of belonging, the establishment revamped its employee retention initiatives, introducing mentorship programs and team-building activities to create a supportive and inclusive work environment.

Furthermore, Paul Smith explored innovative recruitment avenues by leveraging digital platforms and hosting virtual job fairs, widening its reach beyond geographical constraints. To incentivize prospective managers, the café introduced unique perks such as coffee-tasting workshops, providing candidates with hands-on experience and insight into the café's commitment to an exceptional coffee experience.

As these strategic initiatives unfolded, Paul Smith's leadership played a pivotal role in guiding the café through the transformative process. His commitment to adapting to industry dynamics, embracing diversity, and fostering a culture of continuous improvement positioned "Ocean Breeze Café" not only as a sought-after coffee haven in Bondi, but also as a beacon of resilience in addressing the larger leadership challenges afflicting the New South Wales hospitality landscape.