

## Review Article

## An Investigation of Accounting Students' Knowledge of Strategic Management Key Terms

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**Abstract:** The purpose of this study was mainly to investigate understanding of strategic management terminology of accounting students who enrolled in strategic management course in a selected public university in Bangkok, Thailand. One-hundred and ten students completed the strategic management key terms worksheet, which consisted of forty important key terms in strategic management course. Findings of this present study revealed that 'strategic management' was rated as the most understood key term while 'strategic execution' was reported as the least understood key term. To be more specific on students' knowledge of strategic management key terms, this study also found that only one key term obtained the rating of 'yes' in a good level. In addition, four words in strategic management were ranged between 60-69 percent of understanding while the rest of them were fallen into a poor level, which indicated the poor understanding of students in these terminologies. Analysis of Chi-Square statistic also demonstrated the significant difference between male and female students in four different key terms including strategic formulation, business level strategy, strengths, and weaknesses.

**Keywords:** Strategic management, Key terms in strategic management, Terminology proficiency, Accounting students.

### INTRODUCTION

Strategic management is perceived as the capstone course as it requires an integration of prior knowledge learning accumulated in business program and apply them to practice. Specifically, strategic management course is the capstone course, which encourages students to use all knowledge learned in business program and implement it to resolve the organization's problems based on learning methods such as simulation, case study, and company consultancy project (Jennings, 2000; Jordan, 2017).

Improving students' awareness to better understand their learning and enhance their knowledge requires the use of effective learning technique. Providing key terminology in related fields is considered as a fundamental technique that helps students learn more effectively. Using various approaches to teach strategic management course can help enhance students' learning and knowledge. Nevertheless, some of basic terminology needs to be considered and taught at the beginning of the class. Numerous strategic management key terms are essential to understand for effectively studying and establish a

successful learning in strategic management course (Farooq, 2016).

Past research confirmed the important role of vocabulary in language learning (Rohmatillah, 2014). Prior study examined the association between language proficiency and students' academic performance (Martirosyan, *et al.*, 2015). The importance of learning key terms in strategic management course has no exception. Lack of understanding in important strategic management key terms can lead to unsuccessful learning in this course in particular concepts and theories needed to be utilized and applied for organizational effectiveness and success. However, based on literature reviews, no prior research attempted to place its emphasis on the importance of terminology in strategic management through the measurement of students' understanding of essential key terms. Therefore, this present study aims at investigating students' understanding and knowledge of strategic management key terms.

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### Literature Reviews

This present study attempted to review related literatures on students' understanding of strategic management key terms or business terminology. Unfortunately, the researcher found just a few evidences related to business terminology. Among scarce research in this field, the work of Promsri (2019) deemed very useful for developing the framework and instrument for data collection.

Promsri (2019) investigated terminology proficiency in management among business students in international program through a worksheet of key terms in management. Data were gathered from twenty-nine students who registered in "Principles of Management" course. These students were from three different countries, which were Bhutan, China, and Thailand. Findings of this study revealed that 'planning' was rated as the most understood terminology in management while 'conceptual skills' was the least understood. For terminology proficiency, results showed that Bhutanese students had a good proficiency whereas Thais and Chinese had a poor proficiency.

In accordance with Promsri's study, lists of important key terms should be developed on the worksheet using textbooks in that specific subject as a guideline. The worksheet contained all lists of terminology, which two alternatives for students to select either they know/understand that key term (yes) or they did not (no). This present study utilized this technique to develop its instrument to measure students' understanding of key terms in strategic management.

### METHODOLOGY

This study used a quantitative method to explore accounting students' knowledge of strategic management key terms. A newly developed worksheet "key terms in strategic management" was created by the researcher and distributed to accounting students who enrolled in strategic management course at Rajamangala University of Technology Phra Nakhon on the first day of the class. The "strategic management" course was a capstone course for students in business program, which was required to be taken as a core course regardless of students' majors. The strategic management key terms worksheet contained 40 basic

vocabularies in strategic management in English version such as strategic management, strategy, environmental analysis, vision, and mission, etc. These key terms were developed based on guidelines from several management and strategic management textbooks including "Modern Management" written by Certo and Certo (2016), "Strategic Management: A Competitive Advantage Approach, Concepts and Cases" by David and David (2016), and "Fundamentals of Strategy" by Johnson, *et al.*, (2017).

Accounting students who had taken strategic management course in the second semester of 2018 academic year were requested to fill out a worksheet by considering strategic management key terms and evaluating themselves whether they knew the meaning of each key term in strategic management without asking their friends or searching for the further information on Google. If a student understood the meaning of each key term in strategic management (English version), he/she was asked to check "✓" on "Yes" column. On the other, if a student did not understand the meaning of the terminology, he/she was required to mark "X" on "No" column. Descriptive statistics including frequencies and percentage were used to evaluate students' knowledge in strategic management key terms. In addition, Chi-Square statistic was conducted to measure the significant difference between males and females in terms of understanding in strategic management terminology.

### RESULTS

Among one-hundred and ten students who filled out the "strategic management key terms" worksheet, 84.5 percent of respondents were female and 15.5 percent of them were male. Table 1 demonstrated the understanding of forty strategic management key terms. Results indicated that the most understood key term was 'strategic management' (70%) whereas 'strategic execution' was rated as the least understood key term (4.5%). The most difficult key terms rated 'yes' by this group of students less than or equal to 10 percent consisted of 'strategic execution' (4.5%), 'strategic implementation' (6.4%), 'situational analysis' (7.3%), 'strategic formulation' (8.2%), and 'resource allocation' (10%).

**Table-1: Percentage of Understanding in Strategic Management Terminology of Accounting Students (n=110)**

Key Terms	Yes	No	Key Terms	Yes	No
Strategic Management	70%	30%	Mission Statement	42.7%	57.3%
Strategic Planning	67.3%	32.7%	Objective	63.6%	33.6%
Strategy	53.6%	46.4%	Situational Analysis	7.3%	91.8%
Strategic Formulation	8.2%	91.8%	Business Portfolio Analysis	17.3%	82.7%
Strategic Implementation	6.4%	93.6%	Strategic Business Unit	11.8%	88.2%
Strategic Execution	4.5%	95.8%	Differentiation	20.9%	79.1%
Strategic Assessment	10.9%	89.1%	Cost Leadership	24.5%	75.5%
Strategic Control	49.1%	50.9%	Focus	43.6%	56.4%
Environmental Analysis	37.3%	62.7%	Growth	26.4%	73.6%
Internal Environment	50%	50%	Retrenchment	41.8%	58.2%
External Environment	51.8%	48.2%	Diversification	13.6%	86.4%
General Environment	69.1%	30.9%	Merger & Acquisition	17.3%	82.7%
Task Environment	11.8%	88.2%	Resource Allocation	10%	90%
Industry Environment	26.4%	73.6%	Competitive Advantage	10.9%	89.1%
Corporate Level Strategy	14.5%	85.5%	Policies	50.9%	49.1%
Business Level Strategy	22.7%	72.3%	Strategic Management Process	37.3%	62.7%
Functional Level Strategy	28.2%	71.8%	Strengths	45.5%	54.5%
Corporate Social Responsibility	62.7%	37.3%	Weaknesses	49.1%	50.9%
Sustainability	32.7%	67.3%	Opportunities	35.5%	64.5%
Vision	50%	50%	Threats	28.2%	71.8%

Table-2 indicated students' understanding of terminology in strategic management ranging from excellent to poor. Results showed that none of strategic management key terms was rated "yes" in which students understood the meaning of that term more than 80 percent. Only term in 'strategic management' was rated "yes" by 70 percent. In addition, four key terms in

strategic management including 'strategic planning', 'general environment', 'corporate social responsibility', and 'objective' were reported as terminology in strategic management that accounting students had a fair level of understanding. The rest of key terms in strategic management was rated as the least understood as the percentage of these terms was below 59 percent.

**Table-2: Range of Students' Understanding of Terminology in Strategic Management**

Range of Percentage	Evaluation	Number of Key Terms
80%-100%	Excellent	0
70%-79%	Good	1
60%-69%	Fair	4
Below 59%	Poor	35

To measure gender differences in understanding of strategic management key terms, Chi-Square statistic was conducted. Table 3 revealed that male and female students had a significantly difference in four terminology in strategic management as Asymptotic Significance for Chi-Square statistic was

less than .05. These four key terms in strategic management consisted of strategic formulation, business level strategy, strengths, and weaknesses. Results of this analysis indicated that male and female students did not have an equal understanding of these key terms.

**Table-3: Difference in Understanding of Strategic Management Key Terms between Male and Female Students**

Key Terms	Gender	Yes	No	Asymp. Sig.
Strategic Formulation	Male	4	13	.012*
	Female	5	88	
	Total	9	101	
Business Level Strategy	Male	7	10	.048*
	Female	18	75	
	Total	25	85	
Strengths	Male	12	5	.024*
	Female	38	55	
	Total	50	60	
Weaknesses	Male	14	3	.003*
	Female	40	53	
	Total	54	56	

## CONCLUSION, DISCUSSIONS, AND RECOMMENDATIONS

This present study aimed at investigating students' understanding of strategic management terminology. One-hundred and ten students participated in this study by completing a strategic key term worksheet. This newly developed worksheet comprised of 40 important key terms in strategic management gathered from related textbooks in management and strategic management. Results showed that 'strategic management' was rated as the most understood key term while 'strategic execution' was reported as the least understood key term. To measure students' terminology proficiency in strategic management, findings revealed that only one key term received the percentage of 'yes' in a good level, four key terms obtained the percentage of 'yes' in a fair level, whereas the rest of them earned the percentage of 'yes' less than 59 percent, which demonstrated the poor level of terminology proficiency in strategic management. To describe the results of this present study, it is quite clear the participants in this study were accounting students who might not have enough knowledge and understanding in general business terminology compared to key terms in accounting. These students primarily focused on subjects in accounting rather than the others in business program, thus they might not be familiar with these key terms or have never heard these terminologies before. Also, as these students studied in Thai business program, almost all lecturers and professors conducted their instruction in Thai version, which discouraged them to learn some technical terms in English version. To compare difference in students' understanding of key terms in strategic management between males and females, results showed that male and female students did not have an equal understanding of strategic management key terms in four different terms including strategic formulation, business level strategy, strengths, and weaknesses.

Like other studies, this study has some limitations. Firstly, this study collected data from accounting students only. Thus, the further study should extend its samples to students in other majors as well. Secondly, a worksheet used to measure students' understanding in strategic management key terms had not been conducted a validity and reliability of the measurement, which affected internal and external consistency of this instrument. Hence, the future research needs to conduct validity and reliability of this instrument first prior to using for data collection. Thirdly, as the key terms in this study were proposed in English version, which might not be appropriate for students who studied in Thai program. Therefore, the next study should develop an instrument that used to measure the understanding of terminology in strategic management in Thai version. Lastly, as this present study measured only the basic knowledge and understanding of students in strategic management

course only, the further study should expand the scope of the study to other subjects in business program as well.

Recommendations for search implementations are to ensure that all faculties use business terminology in English version and translate the meaning as well as provide students definitions of these key terms accordingly in their subjects. Additionally, this university needs to establish the environment that help encourage students to learn related terminology in business through the bulletin boards, social media, screen saver, and empty space in the classroom. Furthermore, faculty in business program needs to be motivated and encouraged to write a handbook, a dictionary in business field, and a textbook, which includes key terms in a hard copy or electronic format for assisting students to learn more about business concepts and better understand basic key term in business.

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