

## THE JMI/ESU JOINT DEGREE PROGRAM

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### Abstract

This case describes the experiences of two college administrators at a public state university in the United States<sup>1</sup>. In the spring of 2005 they took on the task of developing and managing a bachelor's degree program in Jamaica. By the summer of 2007, they had encountered numerous difficulties—concerning travel and class scheduling, logistical constraints, cultural differences, financial misunderstandings, numerous problems of communication and trust—and recognized that the viability of the program was questionable. Moreover this case posits the broader question of how to terminate a long-term international relationship midway through a contract when the level of trust breaks down. The case may be used in the traditional single class meeting format to reinforce an understanding of selected concepts indicated by the teaching objectives or throughout the semester to illustrate and provide a point of departure for discussing all of the concepts indicated by the objectives. The case is especially applicable for undergraduate or graduate level courses in international management/policy/strategy, educational leadership and courses, which emphasize inter-organizational relations and intercultural communication.

**KEYWORDS:** International business, higher education administration, culture, communication, inter-organizational relationships.

It was Friday afternoon July 13, 2007. Joseph Murphy, Associate Dean of the Business School, had just left a two-hour meeting with Dean Susan Martinez. Martinez had ended the meeting by requesting that Murphy formulate a strategy for the future of the Bachelor's in Business Administration Program. Eastern State University (ESU) had started the program in Kingston, Jamaica together with the Jamaican Management Institute (JMI), a private, lower division school that awarded Associate in Arts degrees. He was wondering if they done the right thing by starting this program? Was the program really worth the costs that had been incurred? Until now, Murphy had to overcome one administrative challenge after another. Each time that he had resolved an issue, another challenge developed. Although he was confident of his ability to handle any single issue, he was concerned about the endless procession of difficulties. In the back of his mind he wondered whether the program really could—or should—continue. The events that led up to Friday, July 13, 2007 seemed like a nightmare.

### FLASHBACK

Administering the JMI program was supposed to have been a small part of his job, but it had taken on a life of its own and had become an enormous burden. Murphy tried not to second-guess the wisdom of the initial decision to launch the program. Although he felt unsettled, he had to focus on the future and what to do next. He kept thinking about the fact that JMI was involved in a lawsuit with Western Louisiana University (WLU). He had wanted to call the Dean at WLU to find out about the lawsuit, but his Associate

Vice President, Robert Johns, had assured him that this was not necessary. Persuaded at the time, Murphy now wished he had acted on his intuition.

His present dilemma was clear: A recommendation to discontinue the program would hurt the enrolled students. Furthermore, a decision to make the first cohort the last cohort would complicate the present and future relationship between ESU and JMI. He realized that JMI's position was not different from a firm that had secured a contract (e.g., for the construction of a bridge) and had received promises for subsequent contracts contingent on the speed and efficiency with which it executed the initial contract. The performance incentives were sizable. A recommendation to stop the program would have long-term consequences. Murphy expected that his weekend would be consumed with worries.

## **EASTERN STATE UNIVERSITY (ESU) AND THE COLLEGE OF BUSINESS AT A GLANCE**

ESU began as a regional university with a "commuter campus" on the outskirts of Middleboro in 1972. During the next 30 years it continued to grow into a more traditional school of almost 17,000 students with slightly over 2,000 living on campus. The focus was on undergraduate education. ESU prided itself on providing individual attention to its students. Average class size was 34 and the student-faculty ratio was 22:1. The facilities are located on 1,300 acres that include a nature and wildlife area with lakes and trails. A portion of the campus is used for scientific research. Area school children visit the campus for environmental lessons. A dedicated, scholarship oriented full-time faculty of approximately 550 engages students in active learning. The ESU community is committed to building a campus that serves as an educational and environmental model. Attracting international students and encouraging students to travel abroad has become important during the past ten years.

ESU's five Colleges offer 52 undergraduate degree programs in 116 areas of concentration and 24 graduate degree programs with 88 areas of concentration. Most students (95%) are state residents and are white (76%). ESU's College of Business employs 67 fulltime faculty members in four academic departments (see Figure 1 for a detailed organization chart). The College accounts for approximately 23% of the University's enrollment. The undergraduate business program includes majors in accounting, economics, finance, financial services, international business, logistics, management and marketing. In excess of 80 percent of the graduates are hired by local organizations. These students contribute to the success of the Middleboro economy through their technical expertise and leadership.

## **JAMAICAN MANAGEMENT INSTITUTE (JMI)**

In the early 1990s, Jamaica was losing thousands of young, ambitious individuals who sought higher education opportunities overseas. Leaving the Islands is unaffordable for most Jamaicans. Most of those who can afford to leave do not return. This created, and still does, a scarcity of college graduates, which necessitated the hiring of expatriates to fill jobs that required a college education. On one hand, the Government provided subsidies to students studying abroad, and on the other hand had to bankroll the salaries of expatriates (who had the required job skills). To alleviate this burden, JMI was started in 1992.

Originally, only two-year Associate of Science degree programs in business administration were offered at several regional centers. In the mid 1990s, JMI partnered with several American schools to offer an MBA degree, first at a central location in Kingston and later in Montego Bay. JMI's strength comes from its alliances with major employers throughout the country. Unlike the best-known university in Jamaica, the University of the West Indies (which caters to fulltime students), JMI saw its niche in providing opportunities for working adults. Refer to Figure 2 for the JMI organization chart.

## **PROGRAM PROPOSAL**

In January 2005, Associate Vice President Robert Johns [ESU] set up a meeting with Dean Susan Martinez [ESU] and Associate Dean Joseph Murphy [ESU] to discuss the development of a Bachelor in Business Administration Program (BBA) in Jamaica.

**Martinez:** Thank you for coming over to meet with us concerning your idea to start a BBA program in Jamaica. Although I am quite intrigued by the idea, I must tell you we do not view Jamaica as strategic to our efforts to develop our International Business Program. As you know, we have

five exchange programs in France and one each in Brazil, Argentina, Uruguay, and Chile. We are currently pursuing partnerships in Asia. Although I have committed \$200,000 to support these initiatives over the next five years, our resources are stretched to the limit. We cannot commit any college funds to a new program, particularly one that is not part of our strategic plan.

**Johns:** Dean Martinez, thank you for allowing me to discuss these issues with you. Let me explain why the Vice President suggested that this might be a good project for us to work on together. When I was at Citrus University (CU), I worked with the Jamaican Management Institute (JMI) to set up a similar arrangement to deliver an MBA degree. The University of Western Louisiana (UWL) established an MBA program in Jamaica with JMI around 1997. The program worked well initially. Later on some problems developed that led UWL to withdraw from the relationship. The two parties are now engaged in a lawsuit. In the meantime, however, CU picked up the MBA Program in Jamaica. CU administrators had also looked at offering the BBA, but decided that that they could not support two programs. They determined that there was a strong demand for an MBA Program, and they were right. I was heavily involved in this very successful initiative. JMI is a solid institution. I have known the head of JMI, William Mayes, for quite some time and we can rely on him.

**Martinez:** So you have worked with JMI before, right?

**Johns:** Yes, in particular with Mayes, the Executive Director. William is a very nice person who is quite accommodating and easy to work with. I think you will really like him.

**Martinez:** I was not aware that JMI and UWL were currently involved in a lawsuit. Legal disputes can be a mess. I don't mind telling you that this bothers me!

**Johns:** I can understand how you might be concerned, but the issues in the lawsuit do not involve any issues that would affect us. Actually, after the first MBA cohort ended, UWL decided that they did not need JMI to do Cohort II, so they went out on their own. Because there was a non-compete clause in the contract, JMI sued UWL. JMI still wanted to offer an MBA, so they came to me and asked if CU would be interested in developing one. So you can see it is not really an issue for us.

**Martinez:** If you are sure, I guess we can rely on your experience.

**Johns:** Oh, yes, Dean Martinez. I assure you, there is no problem.

**Murphy:** This all sounds great. I am somewhat concerned, however, about the administrative requirements of the whole program and, in particular, about the costs. Right now I spend a lot of time registering both our students who are coming to study at ESU and those who are going abroad. Our current programs seem quite simple by comparison. The students currently are not paying tuition and we are not granting degrees to the foreign students. I am sure that my staff cannot take on any additional administrative responsibility.

**Johns:** Dr. Murphy, please don't be anxious. The process is actually quite simple. We could set this up as a credit institute. If we price it right, we can even make a significant amount of money for the College. Making it work will be no problem! Further, the JMI coordinator will take care of all of the record keeping. You will just need to recruit and organize the faculty to teach the courses. Since I am in charge of ESU's accreditation, I will complete all of the necessary paperwork.

**Martinez:** Thank you for the information. Dr. Murphy. I will discuss this further with my associates and get back to you.

As Murphy left the room he could not help but wonder was this a good fit for the college and would his faculty colleagues be supportive of the initiative. Despite Dean Martinez's initial misgivings, the program seemed like an excellent opportunity to supplement the College's recent initiatives in Western Europe and South America. In 2005, Martinez was in her sixth year as Dean. She was looking to create new opportunities for the faculty. In part because ESU was located in Middleboro, a southern coastal city that was not actively engaged in international trade, Martinez wanted to continue to provide opportunities for faculty to experience diverse cultures first hand. The possibility of opening a BBA program at JMI could be worth pursuing. For his part, Murphy was excited about the opportunity. Until now he had only been marginally involved in the international initiatives of the College. This seemed like a great opportunity to take on an important leadership role. Murphy, an accountant by training, had limited international experience. Yet Martinez respected Murphy and had chosen him to be a part of the College's leadership team. She valued his opinion and his enterprising attitude.

The program would be set up as a partnership with JMI. Johns had spent a great deal of time in Jamaica. Although the Dean did not view this particular program as the logical or best next step in expanding the College's international curriculum, she did agree that it would give faculty an opportunity to teach in another cultural setting. It was also attractive because of the socio-economics of Jamaica. Jamaica was working hard to develop its tourism industry, but lacked sufficient numbers of "locals."

Both Martinez and Murphy believed that they could help educate middle managers by offering a high quality BBA program for part-time and weekend students. According to Johns, no part-time BBA programs were currently offered in Jamaica. Martinez decided to accept Johns' proposal, but wanted more information about the environment. She needed to meet with JMI and find answers to her remaining questions firsthand.

### **KINGSTON VISIT**

Martinez asked Murphy to call Johns and discuss the next step. Excited by the Dean's response, Johns suggested that they all go to Jamaica and meet the JMI administrators face to face. In March 2005, Martinez, Murphy, and Johns flew to Kingston and met with JMI Executive Director William Mayes. During the visit they conferred with staff and interviewed six interested students and their parents. Throughout the visit and Murphy wondered what Martinez was thinking, but he never had the opportunity to speak with her directly.

On the plane back to Middleboro, the three administrators decided it would be helpful to work through Johns, who had experience in the Jamaican environment and access to the Vice President. This access could become important in solving problems that inevitably arise when implementing a joint program with another institution. Martinez told Johns that she and Murphy had some issues to consider, but that they would contact him during the following week. After the plane landed and Johns had departed, Martinez turned to Murphy and said:

"We need to talk about the details of this proposal—just the two of us. I am not really sure that Johns is being straight with us on everything. Johns and Mayes seemed to be a little too close for my liking. How about tomorrow morning at eleven in my office? In the meantime, please go over the budgets Johns gave you. I think we are going to need to examine this program closely before proceeding".

### **PROGRAM BUDGET**

Murphy was caught off guard by Martinez's comments, but he knew that she had an uncanny ability to size things up. Still, he remained optimistic about the program. The following morning he went to Martinez's office to discuss the program.

**Martinez:** What do you think?

**Murphy:** You know I was really pumped up about this. They need this program. I got excited when we talked to the students and their parents. They had a look of hope! Unfortunately, I got a real kick in the pants this morning when I pulled the budget apart. The program looks so good financially, because Johns just plugged numbers into his spreadsheet. The

actual numbers don't add up. After making the needed adjustments it seems that instead of a profit of \$1,000/student, we would actually lose \$8,000/student, considering a cohort of 50 students.

**Martinez:** I thought you would be excited, especially since I agreed that there was a real need for the program. However, we can't risk jeopardizing the College's budget. I want you to put together a budget that we can live with. We will give it to Johns and he can send it to Mayes. With any luck, they will say it is too expensive. We can then walk away having made the offer. Just make sure you do an honest and comprehensive analysis of all of the costs. We don't have to make money; we just cannot afford to lose money.

Following this conversation, Murphy generated a budget and took it through several iterations with Johns and Mayes. Although Murphy did not entirely understand what all the costs were on Mayes' side, Mayes made it clear that JMI had to have a minimum of 35 students to make it work. With that number, Mayes assured Johns and Murphy that ESU's profit would be \$1,000/student.

Since several major field courses in Middleboro often reached an enrollment of 53, Murphy and Dean Martinez believed that they could accept up to 55 Jamaican students and still maintain the level of quality that they prided themselves on having achieved at ESU. At this point Murphy started to think about the concept of "profit."

Until now, all the programs Murphy had administered for the College were funded by the State and he only needed to make the appropriate allocations. Although an accountant by training, his experience at ESU and his role as an administrator had taught him to focus on cost control and quality, rather than profitability. He wondered if JMI's focus on profit would later conflict with the importance of quality and ESU's accreditation requirements. As Johns kept up the pressure to move the project forward, Murphy dismissed his second thoughts. Eventually, everyone at ESU and JMI agreed that a program for 40 to 55 students in the first cohort would work and provide a small, but important profit.

## **PROBLEM AREAS**

### Faculty

In June of 2005, Martinez, Murphy, and Johns traveled to Jamaica for a follow-up visit. They had a productive meeting with William Mayes and the JMI coordinator and then with a group of very interested students who were ready to start immediately. Mayes declared that there were between 50 and 75 students who would easily meet the University's admission qualifications and would be available to begin classes that Fall. Martinez requested that JMI obtain the transcripts of the prospective students and send them to ESU. To be formally accepted, the students would need to meet all ESU admission standards. In particular, they would need to satisfy the requirement of having earned at least 60 undergraduate, general education credits. This requirement could not be satisfied through vocational or vocational technology courses.

Upon returning Middleboro, Dean Martinez presented the following program to the faculty:

- Courses taught in Jamaica could be in-loaded (substituted for a course in the faculty member's normal assignment) with an additional \$2,500 stipend paid directly by JMI at the end of the semester; or they could be overloaded (an additional course for the faculty member beyond their normal schedule in Middleboro) at a rate of \$5,000.
- To avoid conflicts with religious services (many residents of Jamaica are Seventh Day Adventists who worship on Saturday), class would be offered on Friday and Sunday.
- Faculty teaching a course in the program would receive, subject to availability, an all expenses paid trip to a Jamaican Resort. Through his partnerships with Jamaican businesses, secured reduced airfares for faculty teaching in the program. This cost for the reduced airfares was included in the budget. In addition, another business partners, the all-inclusive Sandals Resort, had agreed to host each faculty member (and accompanying spouse) a complimentary (free) week at the resort. Because faculty members would have to pay the airfare for accompanying spouses, Murphy would work with faculty to schedule the resort trip in conjunction with the faculty member's last scheduled teaching trip.

### The Students

Despite assurances from Mayes, Dean Martinez and Murphy had concerns about JMI students meeting admission requirements to ESU. JMI was a vocational-technical institute that offered Associate in Arts degrees. Yet, students did not necessarily have the general education courses necessary for upper-division course work in a bachelor degree program or a BBA program. Johns, however, assured his colleagues that it would not be a problem for ESU to admit students holding Associate in Arts (AA) degrees. Mayes promised ESU that JMI had more than 60 students who could meet the required level of educational preparation and certification.

If that was the case, the program could focus on providing upper-division courses only rather than having to provide introductory business and economics courses as well. If students did not have the required educational background, the time to complete the program and the cost would change. Because he assumed that there would be sufficient numbers of students with 60 hours of transferable credits, Johns decided that it was not necessary to have the ESU Admissions Department become involved at that time.

As Martinez, Murphy, and Johns developed the BBA curriculum, they determined that students would take ten 3-credit classes in each of two years for a total of 60 semester hours beyond the AA degree, the requirement for a bona fide BBA degree at ESU. Classes would be offered for more hours on fewer days to accommodate faculty schedules and minimize the number of their trips to Jamaica. Once the program was implemented, ESU intended to admit a second cohort in Kingston and, after that, possibly a third in Ocho Rios.

Soon after returning from Jamaica, Murphy noticed that the promised student transcripts did not arrive. Murphy and Johns again traveled to Jamaica in August to discuss the matter with Mayes and others at JMI. When Murphy met with students, he learned that the prospective students had serious academic deficits and were significantly under-prepared. Although many of the students had academic experience, it was often not of the kind that would meet the general educational requirements of a bachelor's degree program. Some students failed to provide or were unable to get their schools to forward transcripts.

When Dean Martinez learned about this, she realized that the program could not be offered without significantly changing the original concept. At a minimum, introductory and remedial courses needed to be offered and the level of quality of the ESU BBA program could not be guaranteed. She came to the conclusion that ESU should not offer the program.

On Monday, September 10, 2005, she asked Murphy to call Johns and give him the news. Two days later, the three administrators had a brief meeting in Martinez's office where she explained her decision. She then asked Johns to contact Mayes at JMI and inform him of ESU's decision. Murphy felt a huge sense of relief. Although he had really wanted to direct this program, he now was convinced that the College would be assuming too many risks.

The next Monday morning, Murphy received a call from Johns, who asked if could come to his office to discuss several follow-up issues. Johns informed Murphy that he had discussed the Jamaica program with the Vice President of the University and that they had agreed that the College should reconsider. The discussion now centered on how to get the students to meet admission requirements, not whether they could. Murphy left Johns' office wondering how he would explain this to Dean Martinez. The College had developed nine international programs over the past several years and had encountered numerous challenges, but this was an entirely new situation. The Vice President insisted that Dean Martinez find a way to make the program work, a program she thought was unworkable.

### **PROGRAM CANCELLATION AND RE-INSTATEMENT**

Martinez sat in disbelief. In her six years as Dean, this was the first time that a Vice President had commanded her to pursue a project that had not been initiated by her faculty. She decided to double-check. She sent a long email to the VP outlining her concerns and went home. The following morning Martinez received an email response that shocked her. The Vice President explained that he was supporting Johns and that she needed to be more flexible. He wanted her to work with Johns. After some reflection, Martinez came to the conclusion that the Vice President might have taken this position because he had lost confidence in Johns and wanted him occupied with a project outside the Vice President's office. As she did not want to jeopardize an otherwise good working relationship with the Vice President, she felt compelled to try and make the program work.

## PROGRAM ADMINISTRATION AND BUDGETING

Trying to find a way out of what she expected to turn into a nightmare, Martinez asked Murphy to schedule a meeting with Johns so that they could discuss alternatives. Martinez suggested delaying the start of the program for a year in order to give the students time to complete the preparatory business and economics courses. Johns said that he had already suggested this idea to Mayes, but that Mayes was concerned the students would lose interest and drop out of the prerequisite courses. At the end of the meeting, Martinez, Johns, and Murphy agreed that the program would need to be modified over the next year. JMI would offer a "pre-BBA" degree program that would include courses to bring students up to speed in the areas in which they were deficient. JMI had 56 students who were eager to start with the program in October of 2005. Dean Martinez consented. She felt that the risks were acceptable, since ESU controlled admission standards and her College controlled the curriculum. However, she remained adamant that ESU would not relax the academic standards for these students. Johns agreed to explain the pre-BBA program changes to JMI and reiterate ESU's insistence on maintaining quality control. Martinez underscored to Johns that he needed to explain in no uncertain terms that, although students could be admitted into the pre-BBA program, this would not constitute a guarantee that they would later be admitted to the BBA degree program. Martinez decided that Johns and Murphy would need to meet with JMI personal in person.

On October 25, 2005, Johns presented the pre-BBA concept to an audience of approximately 30 JMI personnel and prospective students. He emphasized that it was important to ESU and JMI that the program receive SACS<sup>1</sup> and AACSB<sup>2</sup> accreditation. The JMI administrators were excited, but also concerned about the additional cost for the program and the students. The students, many had already accumulated vocational course credits in excess of 60 hours, did not understand why ESU would not count these credits toward degree requirements.

During the same trip, Murphy met privately with both Mayes and the JMI coordinator to discuss the budget. All parties had agreed that the tuition would be set at a rate to cover travel, in-country expenses and tuition payments to ESU. Murphy had proposed a payment schedule and arranged for electronic fund transfers as he had done for CU. However, he did not contact CU about their experience with JMI. Johns had assured Murphy that the primary issues of concern were curricular and admissions-related, not budgetary. According to Johns, the people at JMI were very accommodating and easy to work with as far as financial matters were concerned.

Throughout the next several months, Murphy continued to work on the budget and the submission to SACS of the required documentation for an off-campus program. In May of 2006, ESU entered into a formal agreement with JMI to establish a BBA program to be taught by ESU faculty. Students would receive academic credit from ESU. The SACS report was submitted at the same time. Martinez, Murphy and Johns decided that faculty members would teach eight hours classes on alternate weekends. Classes were scheduled to begin in September of 2006.

Throughout the Spring of 2006, Murphy was lining up faculty to teach the first series of courses. In addition, together with the chairpersons of the academic departments, he prepared teaching schedules that coordinated the ESU and JMI teaching obligations of the faculty.

Corresponding with the JMI coordinator, he specified which non-business and introductory courses JMI students would have to take in their pre-BBA curriculum. All the while, Murphy received assurances from Johns that Johns had already covered this issue with the JMI coordinator and that there should be no problem in getting a minimum of forty admissible students.

At some point, the communications between JMI and ESU became strained. JMI personnel would leave emails unanswered for days. Fax and telephone lines were almost always busy. Murphy became increasingly frustrated. He lacked sufficient documentation to admit several students. At the same time Johns was pressuring him for the names of students that could be admitted. By early June 2006, only a handful of students had completed all prerequisites and were admitted. The pre-BBA program had been running since January. Instead of generating revenues, significant expenses for travel and staff time had been incurred by ESU.

## PROGRAM LAUNCH AND ADJUSTMENTS

At the start of the Fall 2006 semester in Middleboro, Murphy realized that JMI's efforts to get students to complete preparatory courses were not successful. Few students had completed all the required courses. Martinez and Murphy agreed that the program should be cancelled. They called Johns and asked him to inform the Vice President and JMI. When Johns responded several days later, he claimed that the students were still excited about the program and that JMI plan was working. JMI suggested that the start of the program be moved to January 2007 to give the students more time to complete the pre-BBA course work. He promised to follow up with a detailed strategy for shepherding students through the preparatory courses. He also suggested that Martinez find alternative assignments for the three faculty members who had been scheduled to teach in Jamaica during the Fall 2006 term.

By November 2006, Murphy informed Martinez that the majority of students would still not meet admission standards by January 2007 and that JMI was acting as if the students already had been admitted. The Dean reiterated that she wished to cancel the program altogether or defer its start indefinitely or until the students would meet all admission standards. Johns suggested that ESU offer one BBA course per semester during the first year and allow students to take pre-BBA courses at the same time. Martinez and Murphy were adamant that the lower division courses should be completed before the students actually began the program. Johns warned that the students would lose interest in the program if the start would be delayed further. Johns insisted that the program was still viable and that the ESU administration—namely Dean Martinez—just needed to be more flexible, adaptive, and innovative in responding to the challenges at hand.

Recalling the earlier order from the Vice President, Martinez agreed once more to modify the program and allow pre-BBA and program courses to be taken simultaneously until August 2007. She instructed Murphy to make it clear to all JMI students who had outstanding prerequisites that they needed to complete these requirements by January 1, 2002, and that under no circumstance could ESU waive the pre-requisites.

## THE CLASSES

Murphy coordinated the ordering of the textbooks for the first course: Principles of Management He contended with numerous other challenges, e.g., getting the first faculty member to Jamaica on time. The airline tickets arrived a day before the first day of classes. Nevertheless, the first class began as planned. The students were engaged and eager to learn. The faculty member was quite excited about the program.

While the semester was already in progress, Martinez and Murphy decided that students would register for two classes during the Spring 2007 semester, for one class during the summer term and for two classes during the Fall semester.

When Murphy attempted to register the students, the ESU Admissions Office told him that students needed to be admitted before they could be registered. The Director of Admissions was accommodating and even agreed to admit students who had completed at least 60 hours of coursework, including vocational courses. Only twenty-five of 56 JMI students qualified to be admitted and continue the BBA program. When Martinez learned of this development, she instructed Johns to deliver the bad news to JMI.

After Johns delivered the news to Mayes, the Executive Director demanded that ESU be more flexible. In the flurry of emails that followed, Dean Martinez explained again that the 60 hours of transfer coursework was an ESU, SACS, and AACSB accreditation requirement. No exceptions were allowed; hence no flexibility was possible. Mayes objected that promises had been made to the students. He then threatened to file a lawsuit if ESU backed out of the contractual agreement to staff the program. Murphy had a sinking feeling in his stomach. He now realized that the due diligence phone call he had not made to UWL in the Spring of 2005 had come back to haunt him.

Mayes would not accept ESU's decision to terminate the program because there were not enough eligible students to move forward. To the contrary, JMI insisted that ESU continue to move the BBA program forward. Classes had already begun. Johns was still in favor of trying to work out the difficulties and considered the admissions hurdle just a detail that could and would be cleared up. Under pressure from the ESU Vice President's office, Dean Martinez, Murphy and the Director of Admissions decided that the non-admissible students would be allowed to continue attending classes. Murphy would inform the



students in writing of the admission requirements. At the same time, Murphy and the ESU Registrar's Office would register the students to receive payment for staff salaries and other expenses later on.

## **THE FACULTY**

Instruction in the first class proceeded without incident. The professor was impressed with the caliber of the students. The "free" weeks at the Sandals Resort, however, were turning out to be a problem. In January of 2007, Murphy had sent to Mayes at JMI the dates that the first instructor wanted for his one week vacation coinciding with the ESU spring break. During January, Murphy called JMI weekly to confirm the resort reservation. Each time he called, Mayes was reassuring and said it would be just another day or so until he had the confirmation. The faculty member came to see Murphy regularly, reminding him that he needed to buy his wife's ticket in order to get a good airfare, that Murphy had promised the week at the resort, and that Murphy "had better deliver." Finally, Murphy was so frustrated with the process that he told the professor to go ahead and buy the ticket (with no idea what he would do if JMI did not deliver). On March 7, after seven weeks of endless emails and calls, and two days before spring break, Murphy finally received word that the Sandals reservation was confirmed for the stay beginning on March 9. Happily, the faculty member had a wonderful vacation and returned excited about having taught in Jamaica. However, when approached two weeks later and asked about teaching a future course in the program, he responded that it was a great experience, but once was enough.

In the meantime, the instructor for the Marketing class that began in mid-March also expected to receive his all expenses paid resort trip. This time, Murphy requested the dates before the class even began. Again the process of getting the confirmation was tortuous. Not until the day before the professor was scheduled to leave with his spouse was the confirmation received. Word of these problems spread among the faculty. As Murphy started planning for future classes, he quickly learned that the faculty started to lose interest in the program.

Later, during the Spring of 2007, it became clear that the program was experiencing major financial problems. JMI had not made any payments to ESU for faculty salaries and assorted program expenses. Murphy reminded JMI several times to make payments. The contract contained a detailed schedule of payments. Because of lower than budgeted enrollment, JMI did not collect sufficiently large tuition payments to cover the ESU faculty salaries and other program expenses. ESU eventually realized that JMI was suffering a cash flow crisis. Most of the pre-BBA students expected their employers' tuition reimbursement programs to make of tuition payments. Because the students were not yet officially enrolled for classes or not even admitted, they were finding it difficult to get their employers to make payments. Murphy became aware of the problem in mid-April when he began to communicate with Financial Aid Organizations in the US about the status of students in the program. These inquiries were problematic; however, as he now had to attest to what students were doing in the program. For students that were accepted, he stated that they would have full-time status as of the Fall 2002 term. For those who had less than 60 lower division hours, he merely stated that he "intended to accept them." Although payments started to be made to ESU, Murphy quickly realized that he would have to play his one remaining card each time ESU did not receive a scheduled payment—he would have to threaten not to offer the class on a particular Sunday.

## **PROGRAM CANCELLATION RE-VISITED**

It was Friday afternoon, July 13, 2007 and Joseph Murphy had just left a two-hour meeting with Dean Susan Martinez. Martinez had ended the meeting by requesting that Murphy formulate a strategy for the future of the Bachelor's in Business Administration Program, which Eastern State University (ESU) had started in Kingston, Jamaica, with the Jamaican Management Institute (JMI), a private lower division school that awarded Associate in Arts degrees. Had they done the right thing by starting this program? Was the program really worth the costs that had been incurred? Up until now, Murphy had been plagued by one administrative challenge after another. Each time that he had resolved an issue, another challenge developed. Although he was confident of his ability to handle any single issue, he was concerned about the endless procession of difficulties. In the back of his mind he wondered whether the program really could—or should—continue.

Administering the JMI program was supposed to have been a small part of his job, but it had taken on a life of its own and become an enormous burden. Murphy tried not to second-guess the initial decision to

launch the program. He had to focus on the future and what to do next, but he felt unsettled. He kept thinking about the fact that JMI was involved in a lawsuit with Western Louisiana University (WLU). He had wanted to call the Dean at WLU to find out about the lawsuit, but his Associate Vice President, Robert Johns, had assured him and the others that this was not necessary. Convinced at the time, Murphy wished he had acted on his intuition. Had he to do it over again, he would make the call.

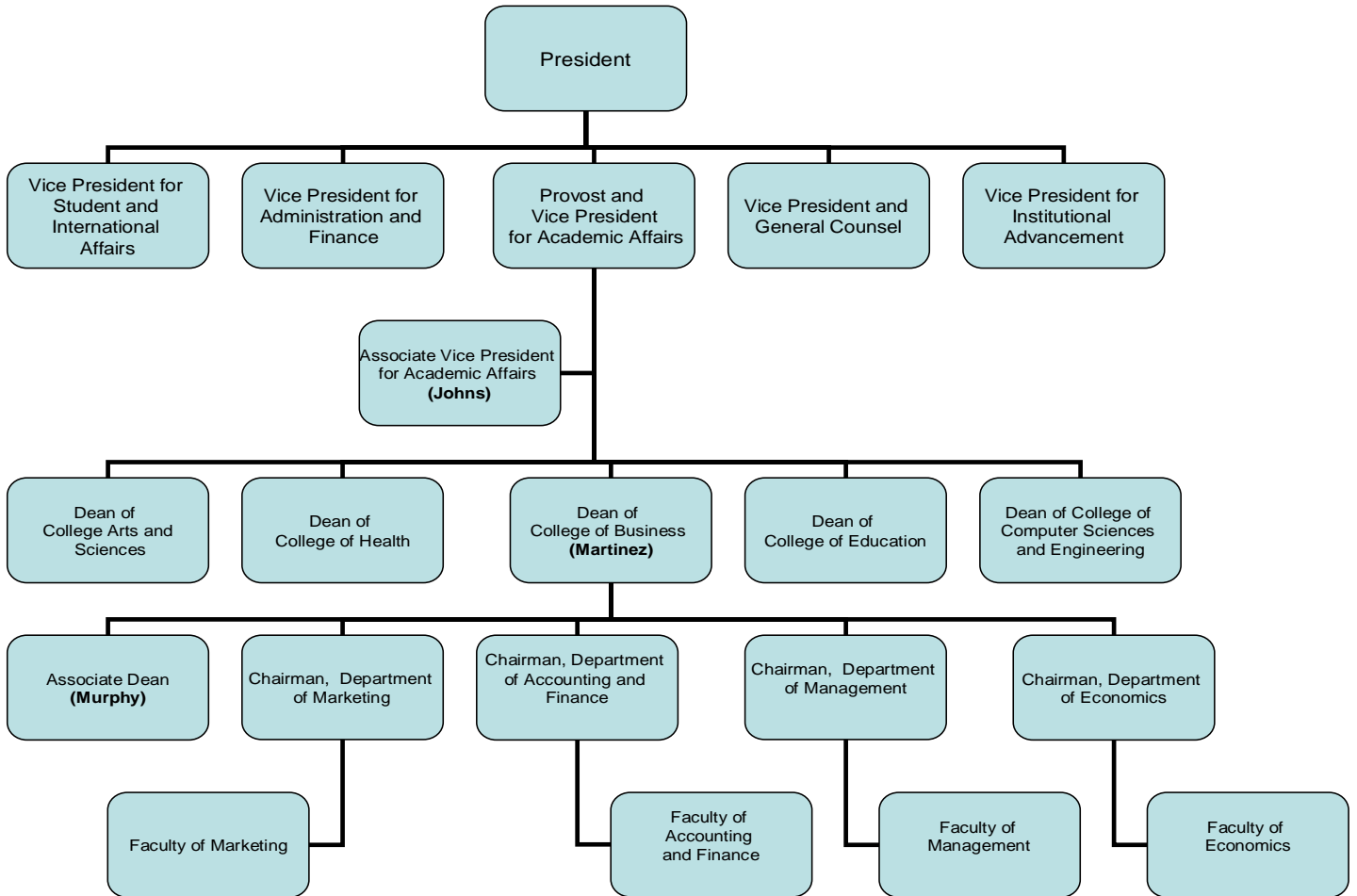
### **CONCLUSION**

On July 13, the JMI coordinator called Murphy inquiring about the starting date of classes for Cohort II. Now that cash flows had begun to stabilize the financial status of the program, Murphy felt that the BBA program in Jamaica was now at a turning point. The prospect of starting and overseeing a second cohort made him physically ill. He had his hands full to bring Cohort I to a successful completion. The College might still pull the plug and cancel the program. Should the College do so? If so, how? He could hear William Mayes: "Fine, we will see you in court, a Jamaican court." If ESU were to continue the current cohort, how could he get it back on track? Mayes was becoming increasingly adversarial. As for Johns, Murphy felt he could no longer trust the Associate Vice President. Although Martinez continued to be supportive, he felt isolated in running the program.

### **ENDNOTES**

1. The names of the administrators and of the institutions are disguised.
2. Southern Association of Colleges and Schools, regional accrediting body.
3. Association for the Advancement of Collegiate Schools of Business—International.

**FIGURE 1 - EASTERN STATES UNIVERSITY (ESU) – ORGANIZATIONAL CHART**



**FIGURE 2 – JAMAICAN MANAGEMENT INSTITUTE (JMI) – ORGANIZATIONAL CHART**

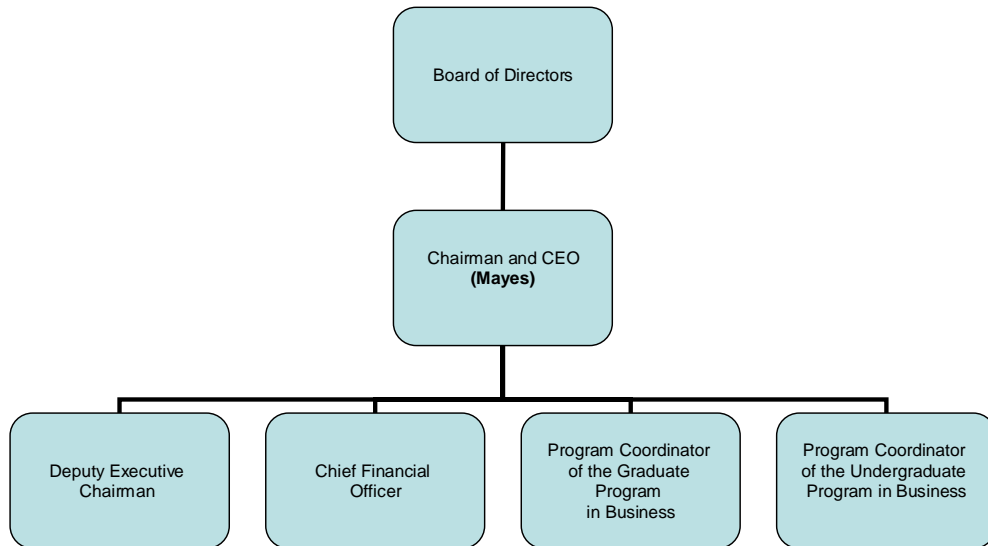


FIGURE 3

