



From End to Means: Profit as Threshold Concept in Management

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Abstract: The balance between content and practice is disrupted when curriculum development is core concept driven. The thrust of Management and Organization Department of De La Salle University College of Business (DLSU COB), bridging faith and management practice, advocates business value creation instead of profit maximization. This makes any course offered by MOD susceptible to threshold concepts, preventing students to progress from simple to complex learning (Meyer and Land, 2003; 2005). This paper argues that any attempt at overcoming threshold concept will help students transition from orthodoxy to new worldview and, eventually, unify content and practice in different classroom activities. The experience of students belonging to sections C39 and C45 of introductory management course, Management of Organization or ManaOrg, for 2nd term, AY 2013-2014 insinuates profit as threshold concept. To follow up the case, dialogic discourse and network analytic model are used to examine their views of profit, to derive underlying reason(s) and factors influencing their views, to assess effects of profit as threshold concept on student learning and worldview, and to cite the implication of this experience on curriculum development. Data of the study are obtained from focus group discussions (FGDs) and reflection note of the instructor about the results of classroom activities of ManaOrg. Informed consent of students is obtained prior to the conduct of FGD. Results reveal profit as threshold concept in management, influenced in development by the core concept driven curriculum of management as well as by education and personal factors that ingrained mainstream view of profit among students. The transition of most respondents to the new paradigm of profit was influenced by the commitment of DLSU, MOD as well as its Chairperson, and the instructor to global advocacy for responsible management. Reorientation of management curriculum to thrusts giving considerable attention to threshold concepts is necessary.

Key words: threshold concept; management; curriculum; profit

I. INTRODUCTION

This paper looks into profit as a threshold concept. Meyer and Land (2003; 2005) define threshold concepts as concepts that students find

difficult to learn and that hinder their progress from simple to complex learning. Profit can be a threshold concept because of its dual nature: an end and a means. As end, profit is maximized to contribute to the financial success of the business (Dyck and Neubert 2012). This is a mainstream



perspective of business that “profit as means” contests as the latter views business-serving social objectives. But the rigidity that comes with the shift in the thinking of the learner (i.e. from profit as end to means) can naturally arise in a learning environment having core concept driven curriculum. A core concept driven curriculum zeroes in on the use of a concept to organize the body of knowledge for the purpose of deepening its sense and application in the life of the learner (Erikson, 2002). As suggested in variation theory, such curricular thrust renders ineffective when inconsistencies arise among the planned learning as the intended object of learning, what is opened up to students as enacted object of learning, and what the student actually learned to represent the lived object of learning (Carstensen & Bernhard undated).

Thus, the detection and management of threshold concepts is essential to bridge learners to “new and previously inaccessible way of thinking” (Land & Meyer, 2003, p. 1). Alternatively, this paper argues that attempts at overcoming threshold concept transition students from orthodoxy to new worldview and, eventually, unify content and practice in different classroom activities. The collective experience of students belonging to sections C39 and C45 of ManaOrg is taken into account since profit registered as threshold in the series of classroom activities --- ranging from individual recitation to business simulation exercises --- implemented during the second term AY 2013-2014. ManaOrg or Management of Organizations is an introductory course for management offered by the Management and Organization Department (MOD) of the Ramon V. del Rosario College of Business (RVR COB) at the De La Salle University (DLSU). This course serves as the academic battlefield of MOD in advancing its thrust, to bridge faith and management practice, as a way of promoting the global advocacy of DLSU for principled management education and value creation of business. The shift from mainstream perspective

to multistream perspective of management by MOD is accompanied by the offering of ManaOrg that evolved from the mainstream course, BusOrga or Business Organization.¹ ManaOrg seeks to achieve unification of content and practice in multistream management context as such concretizes not merely the institutional thrust but also achieves transformative learning that La Sallian pedagogy promotes (DLSU 2009). However, the transition or shift in business thinking is not easy since the equation of learning can be acted upon by a host of unknown factors. In that light, the study specifically seeks to examine the following:

- (1) The views of profits by students.
- (2) Their reason(s) for considering profit oriented and mainstream business strategies.
- (3) The underlying factors influencing student views of profit and mainstream business strategies.
- (4) The effect of profit as threshold concept on student learning and worldview.
- (5) The implication of student experience of threshold concept in ManaOrg for curriculum development of values based management courses.

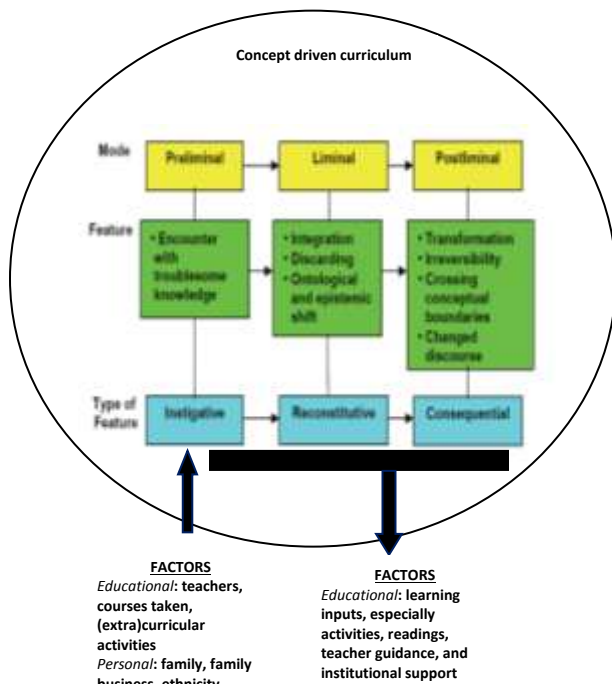
2. FRAMEWORK AND METHODOLOGY

Meyer and Land (2003) identify five critical features of a threshold concept. These are transformative (concept understood will cause dramatic change in learning), irreversible (knowledge acquired will “never be forgotten”), integrative (concept can be applied across different scenarios), bounded (concept having “terminal

¹ Now offered by the Department of Systems Innovation (DSI) by RVR COB.

frontiers”), and troublesome (knowledge perceived as alien or absurd at face value). Land, Meyer and Baillie (2010) clarify the relations of these features.

Figure 1: Augmented framework of Land, Meyer and Baillie



Baillie (2010) transition of threshold concepts from troublesome knowledge (Land, Meyer and Baillie (2010)).

At the preliminary stage, student encounters threshold concept in the form of troublesome knowledge. The instability of understanding created by the threshold concept in the student opens up to changing her viewpoints so that knowledge becomes integrative at the liminal state. At the post liminal state, the student successfully achieves intellectual and paradigmatic cross over, and knowledge attains boundary and irreversibility, while the discourses on threshold concept achieve transformation.

Profit as a means to social objectives of the business is potentially a troublesome knowledge.

This is expected since the former, a multistream perspective, negates the value neutrality of profit maximization, if viewed as mere incentive to business for its short run operations. Dyck and Neubert admit the potential clash in the dual nature of profit but see its multistream perspective promoting “...notions such as community work that is inherently more meaningful, ecological sustainability, social justice, and so on” (Dyck and Neubert, 2012, p. 14). Profits as means directs business to maximizing the well being of its stakeholders such as the workers, family of workers, the poor and marginalized in the community, the suppliers, the future generations, others).

Certain factors can guarantee existence of this troublesome knowledge. This study sees education and life circumstances of the students as factors. Educational factors pertain to the courses (subjects in school), school curricular activities and teachers that promote profit maximization as ends to business. This is not a far fetched reality since the language of profit maximization, which has materialist value orientation, was first developed in Economics (see Cournot 1897), a course series offered to business majors of DLSU. The same language is likewise embraced in other management courses (e.g. accounting, business management, etc.) and by the management schools, as well as practiced by business organizations (see case studies in Dyck and Neubert 2012). As such, these factors can also influence individual and institutional stances on management. The mainstream perspective of profit can be ingrained by the family, family business, ethnicity (genealogical lineage, e.g. Filipino, Spanish, Chinese, etc.), gender and religion on students.

What drives the transition from liminal to post luminal states are the very instances in which profit as a means is explored as new worldview. In this regard, educational factors should show some strength and consistency in their push for a change



in business or management thinking. These factors refer to learning inputs such as classroom activities, textbooks, teacher guidance and other forms of institutional assistance given out to teachers and students that support the transition. In the post liminal stage, students should clearly demonstrate the boundaries of the mainstream and multistream perspectives of profit. Dyck and Neubert dichotomize both concepts in their textbook. In the roadmap of Chapter 4, Ethics, profit as means is contrasted to profit as end in stressing the former as providing meaningful work, operating sustainably, attentive to internal and external stakeholders, and facilitating servant leadership (Dyck and Neubert, 2012, p. 137). Dyck and Neubert left the determination of profit maximization with Microeconomics. The microeconomic textbooks used in DLSU, *Microeconomic Theory: Basic Principles and Extensions* (Synder and Nicholson 2012, pp. 333-362) and *Microeconomics* (Case and Fair, 2012, pp. 179-198), define profit maximization in terms of the plan of a firm to produce outputs at the point where marginal revenue (the revenue obtained from selling extra unit) equals marginal cost (the cost incurred from producing extra unit). The ability of students to acknowledge the two value orientations of profit signifies attainment of irreversible and transformative learning.

The study employs qualitative methods to analyze the phenomenon of threshold concept. Dialogic discourse is used to engage students in discussing their views of profit, the underlying reason(s) and factors influencing their views of profit, and the effects of profit as threshold concept in their learning and worldview. Data of the study are obtained from focus group discussions (FGDs) and written notes of the instructor on the two sections of ManaOrg. Informed consent of participating students was obtained prior to the implementation of the study. A simple network analysis is used to analyze the factors and their connectedness to the views of profit of students.

The software Pajek 3 is employed for the said purpose.

II. FINDINGS AND ANALYSIS

A. PROFIT AS THRESHOLD CONCEPT AT THE PRELIMINAL STATE

Despite the shift to multistream perspective, ManaOrg remains core concept driven. It basically introduces students to the basic principles and issues of management with majority of activities focused on appreciating multistream management concepts. The mainstream and multistream perspectives of these concepts are presented as road map of each chapter, and different classroom activities are employed to crystallize the differences. MOD approves of the use of textbook, *Management*, authored by Bruno Dyck and Mitchell J. Neubert, expressly pointing out the social advantages of multistream over the mainstream perspective. The course outline of ManaOrg is patterned after the chapter outline of the textbook. Around 6 major management concepts, representing 14 of the 18 chapters, of the textbook form part of the course outline: the basic management concepts, the environment and context of management, planning, organizing, controlling and leading. Each chapter builds on the major concepts in the discussion as well as in case analyses and exercises. In this context, ManaOrg subsumes discussion of profit and its maximization principle in the major concepts examined in the course. However, as regards profit as an end, textbook discussions and case analyses collectively stress the undesirable dynamic of profit maximization. An example is found on page 68 of *Management*, wherein profit maximization is linked socially irresponsible but hypothetical cost cutting measure, “[f]or a community club,



managers may try to keep costs down for participants while fielding winning sports team”.

Discussions in ManaOrg were supplemented by classroom activities outlined in the course syllabus. Some activities that had to be uniformly implemented are as follows: (1) the film showing on the nation building efforts of Ramon V. del Rosario, as socially oriented business personality; (2) the discussion and exchange about the Vocation of the Business Leader and Code of Ethics that introduce students to business values and principles espoused by DLSU; and (3) the reporting of organizations that promote these business values and principles. However, the instructor also identified some of the implemented classroom activities. The Chairperson of MOD, Dr. Benito L. Teehankee, strongly encouraged faculty members to innovate on a range of teaching strategies and classroom activities, to include business simulation exercises, to promote the multistream management perspective.

The existence of threshold problem was hinted by the inconsistency between mainstream value orientation of some students and multistream management value orientation of DLSU. The pretext to the situation, pointing to materialist long term planning of some students, happened during the third session of ManaOrg, right after the showing of video clip about the nation building efforts of Ramon V. del Rosario. When asked about how they envision their future business, these students gave out moderate and hardcore mainstream responses (see Figure 2). Display of materialist value orientation was observed among 6 out of the 8 groups relying on few group members for output presentation. Lest forgotten, the bargain of students for grade incentives with the instructor overflowed in the first 2 months of their meeting in ManaOrg.

Figure 2: Vision of students of their future business

Multistream perspective related to	Mainstream perspective	
	Moderate	Hardcore

Vocation of the Business Leader		
*To serve the poor *To provide employment *To set up business that fulfills me	*To follow footsteps of parents or family members *To set up business my family wants me to have	*To be known in different parts of the world *To earn big sums of money
Do not want office work and receive orders from someone		

Source: Nolasco correspondence to Dr. Teehankee, October 2013.

Profit as threshold concept was more overtly articulated in October 2013. Three students from sections C39 and C45 raised issue on the irreconcilable thrusts of spirituality and profits. One student even claimed, “What, no to profit? Will you say buy this product in the name of God?”. In an attempt to address the situation, the instructor requested Dr. Teehankee to lend the following materials for further reading of her class: Humanistic Entrepreneurship: An Approach to Virtue-based Enterprise, and Is Management Good for the Soul? (Nolasco, October 2013). During classroom discussion, the spiritual practice in business cited most often by students was humanization of labor practices (e.g, giving maternity benefits and fair wage to workers). The discussion of profit as means in spiritual context of business management had partly eased student concerns. At this stage, students are said to enter the preliminal state.

B. RESULT OF FGD

Two FGDs participated on by 12 students were held in December 2013 and January 2014. FGDs were conducted for about 1.5-2.5 hours. Participating students all came from the 6 of the 8 groups of the C39 and C45 sections of ManaOrg.



Around 4 of the individual participants were male students while the rest female students.

Discourses with the students revealed that profit as threshold concept was overtly and overwhelmingly detected after they played the on-line business game simulation, Diner City 2, in November 2013. The goal of Diner City 2 is to successfully manage the growth and expansion of food business chosen by the players relative to the business strengths demonstrated by their computer generated business rival (see more in Section III). In Diner City 2, the choices for business development and expansion of a player are to set up a burger or sushi restaurant, recruit more workers, upgrade facilities, diversify services, add security facilities and entertainment sites, and to establish new branches in other localities. The detection of threshold at the stage of playing Diner City 2 was critical for transformative learning since students are yet to reach paradigmatic cross over.

In the first round of the game, students felt that profit as a means was a misnomer. All said that Diner City 2 exposed their groups to competitive business environment, in which profit maximization was the sole strategic recourse and business goal to be considered. They aimed at outperforming their business rivals who, around that time, were demonstrating dominance, leadership and strength in the restaurant business. To maximize profit, the 5 groups built options for business development and expansion from the host of aforesaid choices. Students tried to corner the market of their business rivals by regulating business cost and improving sales through managed hiring of workers and installation of amenities that would attract customers and prevent the latter from patronizing products of the business rival. Technically, however, these features demand certain level of financial success achieved by the players for their business. According to students, this condition drew 5 groups tightly to profit maximization goal. The sole group that initially adopted multistream perspective, via recruitment of workers and installing new

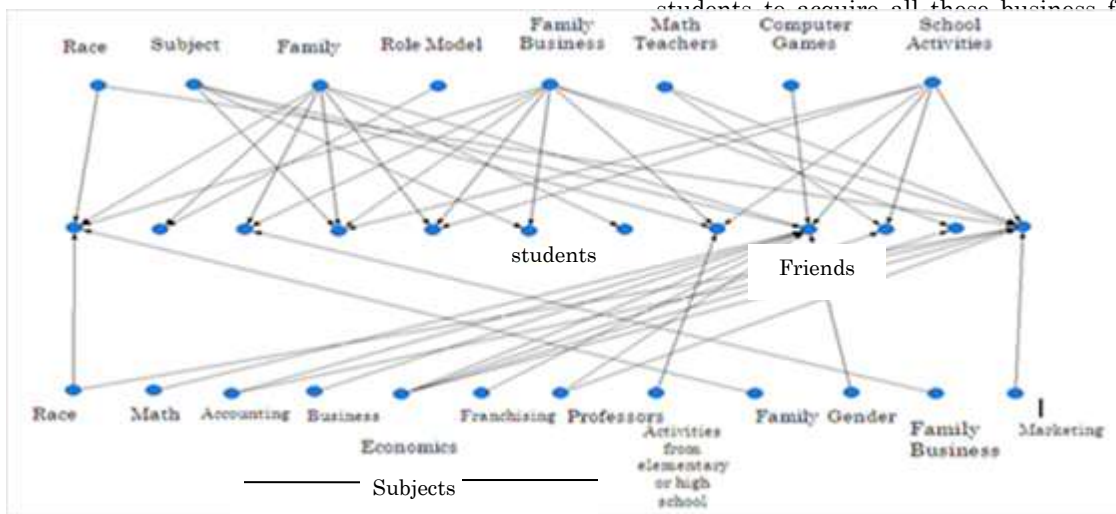
amenities to their business, ended up pursuing profit maximization as well.

Obviously, students subscribed to the value neutrality of profits and the beneficial outcomes of profit maximization. They viewed profit as an income earned by a business person just as workers earned their salaries. They also claimed that profit maximization was the key to competition because this end can enlarge choices of their business for development and expansion. The irony is that, out of the 5 groups that employed such perspective, not even 1 outplayed its competitor and attracted a greater number of customers. Business development and expansion did not achieve any social outcome. Interestingly, though, no one resorted to other available option beyond the profit maximization.

The above scenario can be explained by the influence of educational and personal factors on students. Figure 3 reveals that, on the average, 2-3 factors introduced students to the mainstream perspective of profit. It will certainly be difficult for students to veer away from the mainstream perspective of profit since the latter was an integral part to the kind of life they presently enjoy. Family (parents) and family business are the most cited common factors. Race (Chinese ethnicity oriented toward business) has deep influence on 2 students. Schools --- through activities requiring students to earn profits and solve mathematical drills focused on profit computation as well as their exposure to theories of profits, especially in Home Economics --- also are factors affecting the thinking on profits of 6 students. Exposure further to the theory, mechanics and application of profit maximization principle --- as a factor of race, courses taken for their business program (i.e. Accounting, Business, Marketing, Math), or viewpoints on profit shared by professors, family, and family business --- sealed off perspective of 6 students to profit maximization as end of business. In close examination, 2 students were subject to 2-3 influences that likely caused them to be profit maximizing. For those who could not recall their first encounter with

profit maximization, their introduction to mainstream perspective of profit was enough to influence them to become profit maximizing.

Figure 3: Simple network analysis of factors explaining profit as threshold concept



Students received debriefing from the instructor after they reported the result of their game. Around then, the RVR COB was promoting Code of Ethics of DLSU Business Students. The Implementing Rules and Regulations contained practical ethical guidelines to advance the vision of business leadership of DLSU for its students. The continued push by Dr. Teehankee to implement teaching innovations inside the classroom and engage students in discussions about the Code of Ethics was timely move. The instructor discussed Code of Ethics in the context of presenting a new business option to students that operationalizes profit as means. Students were advised to prioritize service to customer and societal needs (e.g. access to food, entertainment and physical security) using the features of business that they can install in their game. The same were advised that business expansion should be seen as a way of diversifying services in order to service more needs.

In the second round, the 5 groups implemented their multistream business plan. They installed benches, carpets, entertainment booth, newsstand, security camera and other services to serve better their customers and look after their well being. This is in stark contrast to earlier decision of the students to acquire all these business features to

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In recollection, students who successfully achieved paradigmatic cross over in the second round had also attained better sense of the major concepts and succeeding activities of ManaOrg. After overcoming the threshold concept, half of the actual respondent of FGD felt that their sense of social responsibility has improved. In fact, 2 students claimed they picked up that management should learn to serve than exploit their workers. One of the 2 even tied her perspective to the video of Cake Boss shown in her class showing that a manager, Buddy, can be a boss but actively serves the welfare of his workers. One realized that there



is more to life than earning money, which some courses that they took fail to instill. One disclosed the activity has helped broaden her perspective about how business can give back to society and create joy, which initially was unimaginable for her. Three (3) felt the importance of people orientation in business. One shared that views of people should be heard by management. The other stressed that decision making should be a two-way influence of both managers and people. One committed herself to approaching people. Lastly, 3 students felt that part of their learning is giving importance to managing participation of their group members. After the second round, they considered the participation and gave importance to opinions of group members. In fact, the instructor observed that during the last group reporting, 7 of the 8 groups gave each member a part in the presentation.

Despite the success story of these groups, 1 group maintained its mainstream stance. According to 2 members, profit as end gave them the competitive edge to beat their business rival. Because profits were maximized, they were able to purchase amenities and added features of their business --- all instrumental to advancing to another level in the game. Students who represented this group did not resent the result of the game. For them, the game is simplistic and does not reflect the reality of business. They furthered that, at the end of the day, just like what their instructor repeatedly mentioned in the class, the premium focus should be given to business ethics. While this view is very crucial, they did not see how ethics can also work side by side with critical shifts in thinking about profits. In re-examining Figure 3, these students are acted upon by 3 to 11 influences of factors that ingrained in them the view of profit as end.

IV. CONCLUSION

Profit is a threshold concept in management in as much as the experience of the students enrolled in sections C39 and C45 ManaOrg. Students have registered difficulty transitioning to the multistream perspective from the mainstream perspective of profit, i.e. profit as means from profit as end. The orientation of management curriculum, being core concept driven, as reflected in the course outline of ManaOrg, overlooked the pivotal role of profit in laying the foundation and giving credence to the claims of multistream perspective. This means that the influence of mainstream thinking in students will prevail whether or not MOD has changed its management paradigm. It should be noted further that the mainstream thinking of students are ingrained among them by education and personal factors that have contributed to their individual growth and advancement. Nonetheless, the educational factors such as utilization of multistream textbook, advocacy of DLSU and MOD of responsible management, the coaching of instructor, and the technical support provided by the MOD Department Chair provided the needed push to students to overcoming the mainstream thinking. Students who achieved irreversible and transformative learning were able to identify and reflect on the practical application of the multistream perspective of profit. They are also able to acknowledge and appreciate the importance of embracing a multistream management perspective. Unsuccessful ones could merely limit their options to mainstream management perspective.

This paper has shown that overcoming threshold concept is key to transformative learning. The previously cited experience of the students points to the cruciality of identifying and examining other threshold concepts in Management. Such experience also provides an evidence to consider partial or full reorientation of Management curriculum to threshold concepts as the latter demand time and elaborate exploration to help students bridge altogether the major



concepts of the course. Supplemental materials such as manuals, modules or workbooks can also be developed to facilitate the learning process of students locked in the preliminal state. These materials should bear useful case studies/analysis and activities that elicit solution oriented and not concept driver responses.

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