THE PRACTICE FIRM CONCEPT
– A COMPETENCY APPROACH TO TEACH KEY BUSINESS SKILLS

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Abstract: Whether it is called “Core Skills (UK)”; “Employability Skills (Canada)”; “Essential Skills (New Zealand)”; “Workplace Know-how (USA)” or “Project and Transfer Oriented Training (Germany)”, globally we have been concerned with integrating key competencies with learning outcomes to provide the workforce with potential employees that are employable in day one. The Department of Business Administration, HKIVE (Tsing Yi) supports this view by incorporating “the Practice Firm Concept” into course delivery, with the belief that it enhances the quality of teaching and fosters life-long learning skills. The purpose of this paper is to illustrate how this Concept has been developed and incorporated in our business curriculum.

BACKGROUND

On a fact-finding tour to Australia in November, 1998, the Department of Business Administration, IVE (Tsing Yi) came across an innovative teaching and learning approach in business education called the “Practice Firm” Concept which blends practical work experience with theoretical learning. The Department has incorporated this approach into its final-year project because of its value as a stepping stone between classroom learning and the real world of business.

As part fulfillment of the Higher Diploma curriculum, our final-year students are required to undertake a group project in the final year and to submit a collective report on group effort. This project is an important learning activity, which serves as the integrative vehicle of the different components of the course. It has several educational functions regardless of the kind of work that students will enter into after graduation.

1. It provides a practical learning experience in which students can integrate and apply their knowledge with emphasis on solving practical business problems using the skills and knowledge acquired from different sources and disciplines.
2. It provides preliminary training for those students who intend to pursue further studies. This involves not only the implementation of research methods but also the ability to learn to manage a project in an independent manner.
3. If the student does not intend to pursue further studies, the skills acquired in project work will be valuable in all kinds of independent investigation and report writing in the workplace.
WHAT IS A PRACTICE FIRM?

A Practice Firm is a simulated business that is set up and run by students with the support from a teacher trained in facilitation techniques and a Mentor Organization (called the Business Partner Firm). The students buy and sell products or services on a local, national or international basis among practice firms within a closed market economy.

The products and/or services offered by the Practice Firm reflect those marketed by the Business Partner Firm. Although there is no actual transfer of goods or money, all the usual business transactions involved in setting up and running a practice firm needs to be considered:

- writing a business/departmental plan;
- identifying the range of products/services;
- producing a price catalogue/list;
- selecting/enhancing a business name;
- designing/enhancing a business logo;
- drafting/enhancing a mission statement;
- designing an organizational structure that would suit your practice firm;
- form departments by identifying appropriate business functions within the simulated business, e.g., maintaining financial records, preparing a budget, market research, human resources management, marketing; and
- other business activities.

Practice Firms can be established in any line of business. At present, the HKNPF has seven businesses, they are

Creative Era Public Relations Company
(Public Relations & Event Management)
Yau Kee Transportation Co. Ltd.
(Local Transportation Service)
Brilliant Hair Accessory Co. Ltd.
(Wholesale Retailing)
ExSpeed Logistics Co. Ltd.
(Consumer Logistics Service)
DINO Co. Ltd.
(Retail - Purchasing & Logistics)
Tips Computer Co.
(Computer Retail, Assembly & Maintenance)
Sonic Printing Group
(Printing)

Like any economy, diversity is encouraged.
Students become “employees” of the Practice Firm and they work within legal guidelines and other regulations that are imposed on a real firm, such as those relating to company registration, copyright, occupational health and safety, equal opportunity matters, etc. This provides opportunities for students to experience realistic business activities and develop problem-solving and decision-making skills in a variety of business situations.

Students are encouraged to plan, research, develop and trial a range of procedures and processes. They reflect on the content and nature of their learning through this hands-on approach with guidance from the teacher. They work in teams to develop their interpersonal skills. They also learn to solve problems and take ownership of both mistakes and successes.

The Practice Firm is a learning environment that is managed by the students. This is how they learn best about business – by doing it! They learn about what they need to do to keep the business running. They gain skills in managing the business while they are also learning how to learn. The experiences in a Practice Firm will help students to learn about their own skills and interests, and give them confidence in planning a career path.

A relationship with a Business Partner Firm, a real business, is developed to keep the Practice Firm in touch with the real economy and real business processes. The Business Partner Firm acts as a mentor for the Practice Firm and provides advice and support to students.
Students may have established an arrangement with the Business Partner Firm that includes

- using the business partner firm’s products and/or services for simulated trading purposes and promotion within the practice firm networks;
- visiting the business partner firm’s business site;
- providing business information, e.g., procedural manuals, policies, etc.;
- providing industry placements; etc.

Real work environments do not have theory sessions so lecturing or teaching activities do not fit in the simulated workplace! Teachers adopt the role of “facilitators” by guiding, mentoring, suggesting and coaching students in their work.

**The Teacher**
(Facilitator)

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**RATIONALE FOR THE PRACTICE FIRM CONCEPT**

In order to prepare students for working effectively in the 21st century, the learning environment must replicate the workplace in its use of technology, work arrangements and business goals. The Hong Kong Network of Practice Firms (HKNPF), which is located within our Department, plans to implement e-commerce principles to ensure that students are familiar with up-to-date business processes and test the implications of on-line internet-based business operations.

In this near-real workplace environment, students can acquire and develop skills (adapting to changing demands of the job, carrying responsibility, work attitudes, etc.) that are otherwise not possible in the traditional classroom. One only needs to browse through the Classified Section of newspapers or job search web sites to be convinced of the importance of the personal characteristics and attitudes desired by employers.

**CONCLUSIONS**

The Practice Firm Concept provides an action-learning environment whereby

- students can acquire employability skills while pursuing a specialized field of study which in turn enhances their employment prospects;
- a framework is established between the business community and educational institutions so that they can exert mutual influence over what employers wants in their prospective employees and what schools and colleges need to be incorporating in the curriculum;
- teachers are made aware of the need to revise their teaching and learning strategies that will help students to acquire employability skills such as positive work attitudes, good work habits, practice ethical behaviors, accept responsibility, and working with others; and
- academic and technical excellence is “generally useless if they cannot be coupled with the employability skills necessary to survive in the business world.” (Wentling, 1987:316)
REFERENCES


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