

RETAIL EDUCATION ON FIRE: HOW NEW TEACHING FORMATS INFLUENCE STUDENTS' TRANSFORMATIVE LEARNING

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Description: This paper investigates whether and how new teaching formats in retail education trigger students' transformative learning.

Today's complex and fast-paced retail landscape and the hardly application-oriented education challenge retail students to find a decent job and succeed in the tasks accompanied with it (Roggeveen and Beitelspacher 2018). As a result of the abundance of touchpoints available, retail managers of tomorrow need to come up with innovative ways to provide customers with an elevated experience while contributing to the firm's profitability (Brynjolfsson, Hu, and Rahman 2013). Educational institutions struggle to make their courses more relevant for these real-life challenges (Durant et al. 2017). Experts argue that many students master technical skills but fall short of social skills (Kuechler and Stedham 2018), cannot think outside the box (Scott 2010), and do not have eager to engage in lifelong learning (Raelin 2007). In light of the heated debate on how to bridge the gap between the experiences that students make in the classroom and real-life work experiences (Durant et al. 2017), we examine how innovative teaching formats may contribute to an application-oriented education in retailing. Specifically, we identify students' level of transformative learning, their ability to critically reflect on their perceptions and to adapt their behavior accordingly (Marsick and Mezirow 2002), as a success factor of application-oriented education. With a longitudinal survey among students, we examine how engaging students in experiential retail activities that are centered on hard and soft skills can trigger transformative learning (hereinafter TL). Furthermore, we examine the moderating impact of student overconfidence (Clayson 2005; Nowel and Alston 2007) on the relationship between experiential learning and TL.

Revans (1971) argued that students receive the greatest knowledge if they combine explicit knowledge gained from lectures with interpreting and applying the knowledge in practical situations and testing the responses to their actions. During experiential tasks of that kind, students develop different hard, soft, and leadership skills (Beenen, Pichler, Davoudpour 2018). Experiential tasks require humans to solve problems by trial and error and to challenge their taken-for-granted assumptions (Argyris and Schon 1974). Therefore, experiential learning may stimulate students to critically reflect on their assumptions, perceptions, and their learning process. Critical reflection, i.e. thinking about why we think about or do things in a certain way (Raelin 2007), is an important stage in the process of TL (Marsick and Mezirow (2002) which encompasses: (1) identification of a disorienting dilemma that highlights shortcomings in one's perceptions, (2) critical reflection on the dilemma and the associated shortcomings, (3) engagement in discourse to identify, judge, and choose alternative perspectives, and (4) adapting behavior according to the new perspective and integrating it into one's daily life. Therefore, we hypothesize that:

H1: Engaging students in experiential activities that focus on soft and hard skills increase the likelihood that they engage in TL.

Students often exhibit overconfident perceptions and expectations about their skills and overestimate the grades they are going to receive (Clayson 2005; Nowell and Alston 2007). Overconfidence, which is defined as overly positive and inaccurate perceptions that individuals have of themselves, is one of the

most pervasive cognitive biases to which individuals fall victim (Anderson et al. 2012). Research finds that individuals' ability to engage in cognitive reflection and their level of overconfidence are correlated in such a way that highly overconfident individuals show less ability to engage in cognitive reflection and vice versa (Hoppe and Kusterer 2011). Therefore, we hypothesize that:

H2: Student overconfidence decreases the positive effect of experiential activities on the likelihood that students engage in TL.

Our data consists of 150 journal entries written by 25 graduate students who attended a course centered on experiential learning in 2018. The course assigned student groups with the task to manage in-store placements of 30 products at an actual retailer. Students planned and continuously rearranged the placement of the 30 products in a specific retail store and summarized their experiences while working on this task in six journal entries that had to be handed in on a bi-weekly basis. To examine whether experiential learning triggers TL (H1), we followed the data collection process used by Durant et al. (2017) and shed light onto the four stages of TL (see above). To examine what skills students develop most during experiential learning and how they contribute to TL (H1), students had to select and describe three skills, from a predefined list of 15 skills that they thought they had developed most during coursework on a bi-weekly basis. The 15 skills reflected the major learning goals presented by the *Association to Advance Collegiate Schools of Business* (AACSB 2018). To examine how student overconfidence moderates the relationship between experiential activities and TL (H2), we asked students at the beginning and in the middle of the semester to estimate the grade they expected to obtain. As there is no validated scale for the measurement of TL (Kuechler and Stedham 2018), we measured students' engagement in TL qualitatively based on the evidence for the four stages of TL in the students' journal (Durant et al. 2017). We analyzed the textual data with contemporary software using qualitative content analysis and followed the deductive and inductive approach used by Sinkovics et al. (2005). First, we used existing literature to deduct codes that categorize suitable text passages into a specific degree of TL. Second, we inductively assessed further codes for TL from text passages that could not be assigned to an existing category. To examine what skills are effective in triggering TL, we compared the reported skills per student with his/her degree of TL. The student's level of overconfidence was calculated by comparing his/her expected performance with his/her actual one and by comparing the size of his/her misjudgment gap with the average misjudgment gap across students. We find that experiential learning helps students to develop different skills, some of which are related to the occurrence of TL. Furthermore, we find that, while working on experiential tasks, overconfident students are less likely to develop the skills that are necessary to induce TL.

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