A study on corporate expectations from present Indian Management Education: Industry – Institute Interface

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Abstract— **This study is designed to understand and analyse the present management education in matching the expectations of corporate. Meritocracy is the rule in practice to meet the global competition, the corporates understood and demands professionals ready with necessary skills, qualities and knowledge to fit in to the ring from the day in and deliver the required results. The paper points out the challenges faced by the corporate and the management program in bridging the gap between two. To attain this target, a close collaboration between institution and industry is very much essential. On the basis of exiting literature evidence and a pilot study performed results, the paper proposes KATZ model, SERVQUAL model for quality standard in satisfying the students expectations and KSA approach by outlining the importance understanding how crucial is collaboration between industry and institution in promoting and enhancing typical knowledge skill based education. For this purpose 650 professional from managerial and higher position in corporate interviewed personally. Regression analysis is adopted and the findings suggest that industry institution collaborative pedagogy is very effective in moulding student in minimising the expected gap. It is purely intended to contribute for the literature.**

Keywords- Skills; Qualities; Knowledge; Corporate expectations; management program;

I. INTRODUCTION

Management Education in India has been increasingly realized and recognized as main instrument of socio-economic change in the present and advanced age of science and technology. One needs to be educated not only to become a better social being but also a better creative and productive being. Management Education has been accepted as an instrument of development for strengthening the values of democracy. It is rightly said and believed, `the destiny of our Nation is shaped by the quantity and quality of students coming out of Educational Institutions, especially Higher Education`. They should possess required skills, knowledge and qualities to handle complex global corporate environment.

Employers today operate in an environment that demands new and constantly developing skills to retain global competitiveness. To meet these challenges of the 21st century countries like India need to modify thrust of academic institutions from being centers of imparting information to the centers of creativity and excellence. Existing patterns of management education including the structure, roles and responsibilities of various universities should be reviewed in the light of the new demands from the corporate to promote the employment opportunities. It is very much essential to emphasize on the determinants like: Qualifications to Prepare for a Career in Industry/corporate. Marketing, Finance, Production and Personnel are the four major areas in management with each having several sub-branches. Traditional management education curriculum, as presently constituted, may not be adequately preparing individuals for the challenges they experience as professional managers (Pfeiffer, 1977).

Policy interventions (Wesley and Baldwin 1986) will be required to restructure our conventional system of education, like,[1]

- Re-analysis of contents of syllabi and its suitability to the Corporate Expectations.

- Revision of text.

- Developing infrastructure, separately for early and higher learning.

The present study focuses on identifying the suitability of present management program as per the corporate expectations and suggests suitable measure to bridge the gap, if any. KATZ Model (Robert KATZ, 1995) is applied to understand leadership skills and parallelly SERVQUAL model (Parasuraman et al.'s,1991), to understand the service quality

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[1] *The Challenge of the 21st Century – by Dr. M.V. Pyle, UGC -2003*

of management program in meeting the expectations of the corporate.

A. Expectations of corporate from present management program-need for academia and industry interaction:

There is a paradigm shift in industry-institution collaboration in evolving management skills as per changing scenario of corporate expectations from management graduates (Lawrence, et al 1967). The research question comes in this study is, whether the roles played by Business Schools are as per expectations of Corporate, in assisting students to acquire necessary Skills, Qualities and Knowledge to meet Global Competition (Robert KATZ, 1995) and the service quality of business schools SERVQUAL (Parasuraman et al.'s,1991). The earlier research in this stream have specified that employers most often desire Communication and Interpersonal Skills, ability to work well within a team, analytical and problem-solving skills, leadership skills, strategic thinking skills, and computer skills. Similarly, the National Association of Colleges and Employers (NACE) listed Communication Skills, ability to work in Teamwork, Work Ethics, Analytical Skills, Interpersonal Skills, Motivation/initiative, Computer Skills, a detail-orientation, Organization Skills, and Leadership Skills as well as Self-confidence among the Skills and Qualities employers desire in job candidates. When we address the growing skill gap concerns among the Corporate and Academia, it is becoming a very challenging task to find out the solution as the Employers and Institutes also should consider the change as per the drastic changes such as Globalization and Technology.

Fig 1: Steps in academic search process

Source: NACE (National Association of Colleges and Employers, 20015)

However, both Industry and the Institution need to share the equal responsibility in demonstrating the methods to tone down the gap. This research also addresses the current inadequacies and to respond to some of the criticisms that have raised over the years in Management Program, particularly with regard to post-graduate business education, specifically Master of Business Administration (MBA) programs. Industry and academia interface can be described as collaborative, interactive and interdependent arrangement between academic sector and corporate entities for the achievement of the required skill set for the human resource. Universities and industries which for long have been operating in separate domains, are rapidly inching closer to each other to create synergies. The constantly changing management paradigms, in response to growing complexity of business environment today have necessitated these to come closer. The

main objective of these industry-institution collaboration is promising strategic linkages with universities and colleges, assisting colleges with curriculum development and instructional material, helping colleges develop consistent, high quality curricula for leading and emerging technologies, promoting high quality education by providing state-of-the-art support, enhancing emerging technologies in colleges and universities and enabling colleges to get exposure to the latest technologies and develop a student resource for the application and use of technologies to enhance the student skills, qualities and knowledge. There is no one magic solution that can address growing skill gap concerns among the Employers. Globalization and technology, will force the change continually. The recently announced 'Drona partner program' is an initiative aimed at bridging the gap between academia and industry. Since the introduction of Liberalization, Privatization and Globalization concept in 1991 business schools in India are open to the world of opportunities.

Both employers and recruits, asking these questions would ensure that there is a meeting of like minds. Issues related to changes in mindset or retaining talent then seem irrelevant. The best way to deal with a problem is to first avoid its creation in the first place - prevention is better and less painful than cure. MBA programs place too much emphasis on quantitative and analytical skills and neglect human skills and do little to produce managers who are capable of meeting challenges of global business environment and cope with increasingly diverse workforce (Elliot et al. 1994). The organization are looking for 'Leaner and Hungrier' outlook. This research is also an attempt to understand the changing need of Management Expertise to face the contemporary challenges of management and the roles of business school in this concern.

B. Objectives and Statement of the problem

The main purpose of this study is to analyze the suitability of the present Management Graduates to the Industry requirement and to assess the Gap if any, and this Gap can be filled by adopting the suitable measures by Academics and Industry both. How the Academia should design its syllabus and pedagogy so that it can match with the current Global Industrial requirements. To attain this target, a close association between Institutions and Industry is very much essential. The primary objective of this study is to understand the expectations of corporate from the present management graduates. The study tries to analyse the suitability of present management curriculum and the pedagogy to meet the corporate expectations and recommend suitable measures if any, on the basis of findings.

II. DATA AND METHODOLOGY

Regression is a simplification of the popular likert analysis to the case of more than two outcomes of an ordinal dependent variable. These innovative and important factors that the studies have dealt with include variables such as education, age, gender, urban or rural, Conceptual Skills, Technical

Skills, Human Skills, Tangibles, Reliability, Responsiveness, Communication, Creditability, Security. Within the framework, the categorical dependent variable which exhibits multinomial outcomes for each respondent i, assuming $y_i = 1, 2, \dots, m$. The categorical outcomes with regards to effectiveness (question 8) are as "*strongly disagree*", "*disagree*", "*neither agree nor disagree*", "*agree*" and "*strongly agree*". The model can be represented as:

$$y_i = j \quad \mu_{j-1} < y_i^* < \mu_j, \quad j = 1, 2\dots, m \quad, \text{ where the}$$

latent variable $y*$ is assumed to be a linear function of a vector of covariates x'_i, plus a random error ε:

$$y_i^* = x_i'\beta + \varepsilon_i \quad \varepsilon_i \sim N(0,1), \text{ where } x_i' \text{ captures the}$$

independent variables which explain the level of satisfaction β. $\mu_0 = -\infty$, $\mu_j \le \mu_{j+1}$, $\mu_m = \infty$ are the cut-points which separate the categorical outcomes. Assuming a normally distributed error term, the probability of observing a particular value of y:

$$\Pr_{ij}[y_i = j] = \Pr[\mu_{j-1} < y_i^* < \mu_j] = \Pr[\mu_{j-1} < x_i'\beta + \varepsilon_i < \mu_j]$$

$$\therefore \Pr[\mu_{j-1} - x_i'\beta < \varepsilon_i < \mu_j - x_i'\beta] = F(\mu_{j-1} - x_i'\beta)$$

Communication, Creditability, Security. Within the framework, the categorical dependent variable which exhibits multinomial outcomes for each respondent i, assuming $y_i = 1, 2, \dots, m$. The categorical outcomes with regards to effectiveness (question 8) are as "*strongly disagree*", "*disagree*", "*neither agree nor disagree*", "*agree*" and "*strongly agree*". The model can be represented as:

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The Management schools and the Corporate`s must work to collectively to meet the corporate expectations in meeting the global market demand. There was a clear agreement and consensus among respondents that cooperation is necessary and both the institutes and corporations must work to close the gap between expectations and performance of newly hired Management Graduates. The interaction needs to be less about networking and more about understanding and practical. Industry professionals need to be directly involved with the Management Faculty, curriculum development and teaching

pedagogy which can provide conceptual insight to the management graduates as per their preferred specialization. "There should be more faculty, more lecturers from the corporate that will hire these management graduates. They could share their experience with the students so they can align them with the experiences of (the) organisation", constantly (Zelda F. Gamson et at 87). Though the gaps between corporate expectations and performance of management program cannot be ruled out completely, with meaningful collaborative work the quality of management education can be improved, the gaps can be minimized to a larger extent (Mint berg, Henry,1971).

III. LITERATURE REVIEW

The gap between Academia and the Industry may vary from Industry to Industry and situation to situation, but directly linked with the global market requirements. Though the literature is rich in the field of Management Studies and the existing management program, it is not specifically so in the case of the Industry-Institution Gap. Sufficient care has been taken to make an appropriate survey of the Industry and Institution, but very specifically review of literature has been made to throw light on the literature available in the present study. **Beard (1994)** has a number of recommendations towards increasing and enhancing Academia-Industry Interface, which include:

- Greater degree of Industry-School collaboration to integrate employer's needs into the programs on offer;

- Real involvement with industry to allow students to gain valuable practical experience and also to facilitate development of business;

- Improve the programs by encouraging the participation of a number of guest speakers who can offer their own practical experiences;

- Academic staff should be encouraged to keep their skills updated by undertaking practical consultancy on regular basis.

There are number of avenues available were academic institutions are collaborated with corporate entities, commonly used strategies are;

- Funding academic and applied research,

- Involving corporate expertise in Board of Studies,

- Consultations by academicians in the respective fields,

- Faculty development program by industry experts,

- Out bound training programs for faculty and students,

- Corporate providing infrastructure and financial assistance to academic institutions,

- Selecting the faculty from industry background, and

- Outsourcing a course paper to industry.

The 'S**kill** G**ap** S**urvey**' (SGS) as HEF terms it, was conducted to find out through systematic evaluation wither any gaps exist between employer expectations and skills displayed by newly hired MBAs covering the Indian Banking, Financial Services and Insurance (BFSI) sector. The survey found that a large gap existed between the expectations of employers and what they actually were getting, especially when it came to skills like-listening, team work and collaboration in the fresh recruits.

Patel and Poker (1998) has emphasized on ensuring a common platform for industry and education institutions to work out value-based curriculum taking into consideration the needs of industry. **SIEMEMSMA (1998)** concluded that there is a great deal of conflict between what is being taught to the students and what they are going to do when they move outside. **Hanna (2003)** recommended that faculty-student ratio should be close to 1:10, frequent revision of syllabus in consultation with the industry and institutions should create the professionals with global mind set so that they can adjust in different cultural & social settings. **Hamates and Dugout (2003)** described that a national level committee, comprising members from educational and industrial sectors be formed to match the demands and needs required by the labor market with the educational portfolio. **Wimbled (2004)** has focused on the requirement engineering that involves capturing, structuring, and accurately representing the client's requirements in a manner that can be effectively implemented in a system that will conform to the client's specifications. He also suggested project based & collaborative learning to upgrade the students. He concluded that new graduates are ill equipped to enter and survive a market with recessions because they do not exhibit the qualities, the qualities that the industry. **Burrell & Grizzled (2008)** explained that institutions must be responsive to demographic shifts that have occurred in higher education by engaging in ongoing strategic planning similar to that which is done in the business world. Smith and Tamer (1984) said the historically, colleges and universities have been extremely slow in adopting to social change. **Ghosh et al (2007)** discovered that at present, there are several mechanisms operational in India, with 'Academia-Industry interaction,' as a fulcrum of technical education. He focused that by involving the industries right from the stage of drafting syllabi to absorbing the trained students, they are allowed to shape the CORE into a highly productive Human Resource Centre. This also enables them to reduce the time required to orient a fresh graduate before s/he could be inducted into shop floor and to upgrade/ re-skill their existing employees at a very competitive cost. **McCroskey (2008)** developed Leadership Practices Inventory (LPI) that resulted in a framework of five leadership practices: Modeling the way, Inspiring a shared vision, Challenging the process, Enabling others to act, and Encouraging the heart.

Rajsekaran and Ranjitsingh (2009) have concluded that the perception gap between industry and faculty must be bridged to improve the employability of students and enhance the quality of higher education. Industry leaders presume that only 15% of people coming out of Indian colleges are employable. **Data, Garvin and Cullen (2010)** call for the "rethinking of the MBA". This is based on their concerns that MBA programs currently do not provide students with heightened awareness around cultural issues and global perspectives.

IV. RESULTS

Many research papers deal with a dependent variable which is categorical but also ordinal that is from highest to lowest. Table no 1 shows the various individual level characteristics that are statistically significant in influencing the respondents in understanding the corporate performance and expectations from present management program. Age, rural areas, monthly income, family size, Conceptual Skills, Technical Skills, Human Skills, Tangibles, Reliability, Responsiveness, Communication, Creditability, Security found to have statistically significant impact on the dependent variable.

Table I Summary Statistics

Variable	Mean	Std. Dev.	Minimum	Maximum
cs	3.42145	1.098352	1	5
ts	3.110272	1.143918	1	5
hs	2.226586	1.196321	1	4
	2.5	1.050538		

The R2 for KATZ and SERVQUAL found to be 0.1033 and 0.0000 respectively. This demonstrated that the model is relatively satisfying since it is between 0 and 1. For R^2 to rise there should be an increase in sample size. Age of respondents found positive coefficient, middle and senior managers/general and above cadre has good exposure and knowledge in understanding the suitability of present management in meeting the expectations of corporate (Tonjia Kenner Coverdale, 1980).

V. CONCLUSION AND POLICY IMPLICATIONS

The consequences of breach between Academia and the Industry may vary from Industry to Industry and situation to situation, but directly linked with the Global market requirements. Greater degree of Industry-School collaboration to integrate employer's needs into the programs on offer **(Beard ,1994).** Real involvement with industry to allow students to gain valuable practical experience and also to facilitate development of business, improve the programs by encouraging the participation of a number of guest speakers who can offer their own practical experiences. Academic staff should be encouraged to keep their skills updated by undertaking practical consultancy on regular basis. There are number of avenues available were academic institutions are collaborated with corporate entities, commonly used strategies are; Funding academic and applied research, Involving corporate expertise in Board of Studies, Consultations by academicians in the respective fields, Faculty development program by industry experts, Out bound training programs for faculty and students, Corporate providing infrastructure and financial assistance to academic institutions, Selecting the faculty from industry background, and Outsourcing a course

paper to industry. The entire concept of "working with employers" is a relatively narrow understanding of this association. Multi-level collaboration is needed so that the two entities can contribute to each other's growth. It is important to identify these areas where optimum collaboration is possible rather than giving business corporations a carte blanc' in this matter.

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