

Business Education – Way Forward

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Abstract: - Education is a dialogue of a linked chain between the past, present and the future. To quote, Aurobindo, the philosopher, “the past is our foundation, the present our material, the future is our aim and an ultimate goal. Each must have its due and natural place in the national system of education”

Post-Independence, globalization coupled with demographic dividend, innovations in research & technology, the country is getting ready to adopt strategies that will provide new horizons through education, which will help change and transform societal wellbeing and prepare the youth to shoulder the challenging future with responsibility.

Globalization generating innumerable job opportunities requires management graduates. In this scenario, management education opens up unlimited opportunities for its aspirants. With this immense demand for management professionals and subsequent mushrooming of management institutes in India, the concern is the challenges, which lie ahead of management education. Though India is conducting one of the largest systems of management education in the world, a lot remains to be achieved when compared globally. It has a crucial role in nurturing aspiring business professionals to shoulder corporate responsibilities in the changing context in a more professional manner both as Indians and global corporate citizens in the global economy.

This exploratory study envisages analyzing the demand, the need and the way forward for responsible management education to nurture the aspiring business students to meet the corporate challenges for a sustainable business and societal well-being which has drawn a lot of deliberations.

Key words: Management Education, B School, Sustainability, Globalization, Corporate Social & Environmental Responsibility

I. INTRODUCTION

Rapid growth of globalization, fluctuating market trends and technological advancements are great challenges for business organizations to cope and sustain the global competition. A mutual relationship exists between business and society. In a highly volatile and a dynamic global market, ability to sustain global market trends and societal changes is a great challenge for a company. Recent issues of concern relating to recurring bankruptcy, scams in business and financial sectors, crisis of values & corruption in business, bureaucracy or political levels, greed for short term profit leading to exploitation of natural resources, issues of climate change and global warming etc., is continuing to influence the global economy. With stakeholders demand for responsible business practice, corporate has begun seeking strategies to incorporate corporate governance through their operations. With this, the pressure is acute on institutions to incorporate

these socio – economic- ethical - environmental challenges into their curriculum.

II. LITERATURE REVIEW

Kholberg (1976) argues that Business education should instill in students a code of corporate governance so that they respect the rights of all stakeholders. To compete, excel and sustain the challenges in managing any enterprise, the budding professionals need to be nurtured with knowledge and skills to solve financial, societal and ecological complexities faced by today’s global organizations.

With every business decision influencing the world, the responsibility of ensuring a sustainable world is on the global enterprises, writes Stewart Hart (1997).

Henry Mintzberg (2005), remarks that MBAs concentrate more on functional content such as Strategy, Accounting, Marketing etc., and focus insufficient attention to main skills of management. He argues that MBA programs are not effective for three prime reasons:

- Wrong and ineligible candidates are admitted into MBA programs.
- Business schools use educational methods which are ineffective and
- Students graduate from institutes with knowledge, skills and attitudes which are totally not up to the mark.

Ghoshal (2005) critically remarks that the academic research related to conduct in business and management has had some very significant and negative impact on the practice of management. By propagating ideologically inspired amoral theories and concepts, business schools have liberally freed their students from any sense of moral responsibility.

Recent successive corporate scandals coupled with pressures from policy makers, consumers, the media and stakeholders have prompted the urgency to address issues of social and environmental sustainability. With the business world gaining benefits of Corporate Social Environmental Responsibility, there is a pressure on business schools to include these sustainable issues as part of the business curriculum. Gardiner & Lacy (2005) argue that despite increasing demand from business community for such specialist knowledge, business education has been unable to address the issue seriously due to lack of understanding of the concepts and its strategic value within the ambit of MBA curricula.

Similarly, Holland (2009) & Jacobs (2009) have also argued that institutions of Business are blamed of being partly

responsible for the current ongoing business crisis, because they have failed to integrate issues of business ethics and values into their academics.

With international relations, geo-politics, economy and society being inter-linked, it is even more complex and challenging. The Business Schools need to have regular dialogues with other sectors and fields of knowledge and business, as the global agenda is common with issues of geo-politics, civic, social and ecological issues. Therefore it is the responsibility of educationists to provide a view of the company at the global context. This demands that the scope and reach of management education to integrate concepts of social, ethical and environmental issues to the leaders of the next generation. Undoubtedly, the need of the hour as demanded by stakeholders globally is the incorporation of an analytical and integrated approach to management education.

To encourage businesses to adapt sustainable and socially responsible business practices, United Nations Global Compact has initiated 10 principles in the areas of human rights, poverty, labor, environment and anti-corruption. It has given a call to businesses to concentrate on sustainable practice in corporate citizenship, stability in global financial markets, environmental protection and societal well-being. To channelize these initiatives, Principles For Responsible Management Education was unveiled at the July 2007 UN Global Compact Leaders' Summit with the objective of providing a framework for educational institutions to advance education towards the cause of corporate social & environmental responsibility. It has called upon management institutions and Universities globally to fill the gap by adapting strategies, teaching methodologies, curricula and research in tune with new business opportunities and challenges. The onus is on the management institutions to nurture students for global business leadership with socially responsible and sustainable business practice.

Just apt is our former Prime Minister Mr. Manmohan Singh's remarks at the inaugural session of National Knowledge Commission (NKC) in 2005: "*The time has come to create a second wave of institution building and of excellence in the field of education, research and capability building so that we are better prepared for the 21st century*". The Introduction of Foreign Universities Bill 2010 has opened the floodgates for foreign institutes and it is estimated, that the education industry to geometrically progress three - five times its present capacity in the next few years, with spectacular opportunities found for investment, returns and careers. So the need of the hour is to refurbish the B-schools from a despotic policy regime and introduce them to the culture of self regulation for competency and capacity building.

III. FINDINGS & ANALYSIS

With the backdrop of this exploratory study, findings of literature and analysis the following implications are presented:

Business and Society

It is important to understand the symbiotic relationship between business and society. Society depends on business for wealth creation, which leads to better quality of life, while business depends on society for an environment where it can meet its obligation to create that wealth. So, business cannot be dissociated from society. The students should be made to realize this fact through value based curriculum, simulations, case study analysis or realistic examples which will pave the way for productive business and wellbeing of the society

Human Capital

Globalization, driven by technology and knowledge, the success of any economic reforms depends on the competence of 'human capital'. It is therefore, crucial for business schools to integrate management education with the appropriate knowledge, competence, skills, values & attitude as expected by the industries which are the driving forces in this global economy. Students need to be honed with interpersonal and communication skills which will expand their opportunity for entry into multi-national companies. Therefore, management institutions need to provide diversity in the learning atmosphere to reach out to the aspirations of students and expectations of organizations and society.

Social, Ethical, Environmental and Sustainability Mantra

Today, business & society universally demands that the scope and reach of education in general and business education in particular need to focus and integrate concepts of social, ethical, environmental and sustainable issues to next generation leaders at both Indian and global contexts in the core curriculum design and delivery. Therefore, Business Studies has to be re-engineered with the focus into the future as per the expectation of business and society. To compete and excel in the management of any enterprise, the budding professionals need to have the requisite knowledge, values and skills to solve problems of the business ecosystem. Therefore, through inclusive curriculum it is important to instill in students / future managers to adapt such socially sustainable responsible business practice which is not only an ethical duty for a company, but also something that actually advantageously pays back and sustains the challenges of global economy.

Business Ethics

The main objective of ethical education is to create an awareness of ethical conflicts or dilemmas in business. This can be rendered through appropriate case studies, experiential learning theory and inspirational life examples as the basis of teaching business ethics. The teaching fraternity has a moral responsibility to mentor, guide, and instill in the students – 'leaders of tomorrow' to inculcate moral ethics within the lines of socially responsible values and conduct - despite when pushed against boundaries of conflicts. Students will appreciate and imbibe in their personal or professional life,

only when educators exemplify ethical values in their everyday life.

Faculty Enrichment

The teaching methodology adopted by faculty in management education needs to be student centric than being faculty centric. University authorities need to solve the problem of shortage of qualitative faculty by developing a machinery to train faculty to teach management subjects based on application or practical base. Faculty being the main nerve centre of any institution, opportunities for research, publications, and consultancy and faculty development programs has to be encouraged and made mandatory.

Updated Curriculum

At a time when management studies is going through a paradigm shift, management academicians & thought leaders need to think strategically about program design, content, pedagogies of MBA curricula and its positioning. Through research and industry collaborations, it calls for re-framing curricula with critical analytical thinking programs, multi-disciplinary action projects, leadership, sustainability and corporate accountability courses to hone students with responsibilities of leadership. Curriculum should include different approaches for inspiring the students to recognize the social impact of one's behaviour on business and society. Curriculum should be made relevant to Indian & International context and prepare students to meet the domestic and global socio-economic-ecological challenges.

Industry - Academia Interface

Students are the future leaders, eager to learn, sensitive to socio-environmental issues and easier to mend and groom. Business schools need to foster an ongoing dialogue and partnership with business leaders.

- Industry has need-based expectations and demands the right knowledge, skill-sets, values and attitudes from the emerging human capital. Institutions need to interact with the industry to feel the pulse of the industry.
- It calls for interaction and involvement with industry professionals and design management curriculum accordingly.
- To impart practical training to students through industry internships so that the students' skill sets can be honed as per the industry expectations.
- Team teaching may be encouraged in classroom sessions, wherein one industry expert and another from academia will add value in learning and encourage students to connect theory with practical knowledge.

Leadership

Reputation of education institutions has been damaged, public trust has been compromised, especially with regard to criteria of admissions, malpractices' in conduct of examinations,

valuations, results, recruitment of key positions, quality of research, or the so called agency business in admissions with huge commissions are evidence of dismal scenario of education sector in India.

Educationists are mentors and designers of future business leaders and leaders for society. Therefore, educationists have a moral responsibility to 'walk the talk' by embodying ethical approach in institutional process & governance and exemplify to the students of an acceptable true ethical corporate culture. Through institutionalization of transparent governance, students will not only be proud of their institutions of learning but also revere the "guru-shishya" heritage like yester-years.

Accountability

Education is accountable to various stakeholders in society - Students, Teachers, Parents, Management, Industry, Recruiters, Governing Authorities / University, Government & Community at large. Therefore, the need is for a knowledge society with multi-dimensional reformed approach. Institutions' lack transparent governance. Management institutions should be process driven with independent audit committee. Corporate governance should be made an element of accreditation process. Process of admission, conduct of examinations, evaluation, student services, recruitment of faculty and key positions should be fair and transparent.

Accreditation & Rating Systems

To maintain and sustain quality standards in management institutions, a specialized council exclusively for management institutions to carry out accreditation process is. The accreditation process has to be transparent, independent, unbiased and fair. The process of accreditation and recognition needs to be managed by two separate bodies.

Rating such as National Institutional Ranking Framework (NIRF) may also avoid mushrooming of institutions which may not fulfil the minimum acceptable quality standards. Transparency and disclosure of information on Rating will resolve quality issues in the minds of stakeholders including students, parents & recruiters.

United Nations Principles for Responsible Management Education

Management institutions have a responsibility to play a vital role by ensuring that tomorrow's business leaders' understand what responsible business indicates and how it can result in positive influence for both the company's bottom line and the society in which it operates.

No doubt, financial success is important, but it is equally important to uphold high ethical standards in business operations. The two approaches complement each other. Business schools need to instill in each student the skills to change and the intention to make a difference in the business ecosystem by inspiring and instilling values of social and

environmental responsibility as embodied in the United Nations Principles for Responsible Management Education.

IV. IMPLICATIONS & WAY FORWARD

Total Quality Management Education

With the stakeholders' expectation for accountable & socially responsible governance in all sectors, there is an urgent need to modify management education through the application of innovative and transformative tools and learner centric activities to meet new social, cross-cultural, economic, environmental & business challenges of 21st century. This calls for the combined efforts of all stakeholders. However, the institution, pedagogy and the faculty occupy a central role in upgrading the value of management education.

Knowledge society and knowledge economy in this 21st century with an explosion in communication, E-Commerce is ruling the day. Digital Marketing, Internet Marketing, Business Analytics, Delighted Customers etc., is the present and future concepts of Marketing Management. Careers would be knowledge based information sensitive and working in a virtual organizational set up.

With such a sweeping change in business-industry and the job market, management education has to be re-structured. Need – based curriculum to be inclusive of appropriate industry skill-sets such as: Problem solving and decision making in dynamic environments, human capital management, information service management, corporate social & environmental responsibility, corporate governance, service sector management, environment management, innovation technology management, conflict, time & stress management and entrepreneurship.

New Initiatives launched by Government of India to leverage Indian Business Ecosystem

Government of India, under the vibrant & visionary leadership of Prime Minister Narendra Modi, many ambitious initiatives has been launched to strengthen the economic health of the country. Make in India, Start up India, Skill India, Digital India and many such programs have been launched to create jobs, empower the citizens, especially the youth, create knowledge - based economy and restructure the business ecosystem for qualitative societal wellbeing. The government's initiatives in launching such innumerable schemes to accelerate growth and development are laudable, but it calls for a strong, responsible, accountable & transparent administrative and regulatory framework in existence. To realize the vision of all these ambitious schemes of Government of India is the need for value based socially responsible education to transform India into a successful global business hub for societal wellbeing.

Transforming Management Education for socially responsible Business & Society

Prof. Amartya Sen, an economist, recipient of Nobel Prize & Bharat Ratna, remarks that knowledge is the driving factor resulting in both challenges and opportunities. In fact, global economy has increased opportunities for those countries with good levels of education. Therefore, it is the 'human capital' integrated with competence, knowledge & value oriented attitude which are the driving forces in this global economy. With crystallization of Indian economy with the global economy, success of economic reforms depends on the competence of human capital. As opined by Prof Amartya Sen, "Human Capability" is a function of the quality of workforce and the investment we make in human resource in the form of human capital formation. With this shift in a manager's role in the 21st century, management schools are expected to integrate responsible skill-sets in management education as per the industry requirements.

New opportunities and challenges centered on environmental, social and economic realities have opened up new career opportunities for those seeking a career that directly reflects their personal values. The study has emphasized the significance of Sustainability / Corporate Social & Environmental Responsibility which is centric for today's organizations & society. Therefore, institutions of higher learning & business schools have a key responsibility in nurturing and equipping our future professional managers and leaders with the emerging trends of sustainability issues through management skills, contemporary and futuristic cutting edge business knowledge, socially responsible attitude to face the challenges of dynamic global business world. With the call for urgency for such value based approaches in business and society, there is a *paradigm shift in Management Education – Socially Responsible Management Education*.

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