



Corporate Sector a Change Driver for Business Schools: Perceptions of Business Teachers

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Abstract - Business schools are facing mounting pressure from the corporate sector to use a customer-centric approach to reshape their strategies. The ability of business schools to deal with these changes is primarily based on the basic perceptions and thinking of leaders and faculty. Therefore, the purpose of this article is to investigate the perceptions of business teachers about how the corporate sector is driving business institutions to make changes in their strategies such as offering innovative programs, improving curriculum content, using different methods of instruction and developing partnership with other sectors. A structured instrument was developed consisting of these five variables. The responses of business teachers from universities located in Lahore, Pakistan, were taken on a Likert scale. The data were edited and analyzed by applying descriptive and inferential statistics.

Findings: Business faculty perceived high influence of the corporate sector in driving changes in content and methodology of business schools but a moderate level of influence is perceived in terms of changes in program offerings and partnership.

Keywords: Corporate sector; Business teachers, higher education, industry-academia partnership

I. INTRODUCTION

The corporate sector is playing multiple roles such as critique, client and mentor for improvement in business schools. As this sector is facing continuous changes from external factors such as competition, change in technology, global expansion, and change in workforce profiles, it demands a new set of skills and competencies from business graduates for performing the job efficiently. The impact of these changes is apparent in the education sector where business schools are facing mounting pressure from the business sector to use a customer-centric approach to change their strategies but the pace of the desired response is not as demanded by the employer. The ability of business schools to deal with these changes is primarily based on the basic perceptions and thinking of leaders and faculty of business schools (Rufai, Bakar & Rasheed, 2015; Friga, et. al. 2003; Hahs, 1999; Hitt, 1998). Therefore, this study is designed to measure the perception of business teachers about the influence of the corporate sector on its strategies to make changes in its programs, curriculum content, teaching methods and partnership.

II. LITERATURE REVIEW

The business world is criticizing academia for not preparing business graduates as per the need of the corporate world. Employers are not satisfied on various grounds such as program relevance, contents taught in classes, inappropriate pedagogy, and ineffective liaison with the business sector (Rufai, Bakar & Rasheed, 2015; Khan, Shah & Azam, 2011; Kolachi & Wajidi, 2008) [37-25-27]. There is a growing perception that business schools are producing graduates who are technically brilliant but are not equipped with social and interpersonal skills to deal with the complex environment of the business sector. The literature has constantly highlighted that the graduates are lacking in original thought, analytical ability, and desired leadership skills to lead business. (Obiete, Nwazor & Ifeoma, 2015; Bennis, & O'Tool, 2005; ACCSB, 2002; Tanyel, Mitchell, & Mc Alum, 1999; Crainer & Dearlove, 1999).

Worldwide the number of enrollment is increasing in business degrees (Atiq, Rehman, Anis, Hafsa, 2009; Khan, et.al. 2011) which indicate that the corporate sector may have a good quality of human resources. But the situation is bleak as the corporate sector is complaining about not having business graduates as per their

requirements. It is estimated that about two hundred million people are unemployed worldwide but at the same time, 60 % of CEOs are complaining that the unavailability of a skilled workforce is hindering their companies from growth (Kramer, Hills, Tallant, Wilka & Bhatt, 2020). Voices are on the peak that business education is the only supplier of the corporate sector which is supplying human resources of too bad quality that 100% of the incoming goods (students) require rework (training) (Sheridan, 1993). Many research studies pointed out employers' perspective about the quality of products (students) produced by business schools such as Haas (1999) pointed out that employers are criticizing business graduates as they are not able to transfer their knowledge to the globally connected fast-paced world. There is a gap between the skills demanded by the corporate sector and skills provided by business schools (Eberhardt and Moser, 1997). Employers perceived that business teachers are not equipping the graduates with the right skill set i.e. leadership, quantification, communication, team building, and interpersonal skills (Manevska, et al. 2018; Sadree, 2002). Moreover, business graduates are unable to understand the need to adapt and work with a diverse workforce around the globe. There is a disconnection between desired and nurtured skills of business students. Recruiters are complaining that business students don't possess judgment skills that are needed to work in an unpredictable business environment (Jennings 1999; Merritt, 2001). Similarly, the survey of alumni of U.S.-based business schools revealed that interpersonal, leadership, negotiation, and communication skills are an important predictor of success in the corporate world but in reality, the business school curriculum is least effective to develop these skills in graduates (Roobeek, & De Ritter, 2016; AACSB, 2002). As the business graduates are lacking in pertinent skills, attitudes, and knowledge, consequently, the expectations of the employers remain unfulfilled (Bindra, 2010).

Some studies reflect the positive impact of business programs on society too. For example, one study found that accredited business programs have a positive influence on employment opportunities, job promotion, and salaries of business graduates (Zhao, Truell, Alexander, & Hill, 2006). Another study found that business graduates are performing better on their job as compared to students having no business qualification because they possess better problem-solving, leadership, and team collaboration skills (Zhao, et al, 2009). However, criticism of the business institutions is louder than its positive impact. From the above discussion, it may be concluded that business teachers should perceive these shortcomings and respond to the demands of the corporate sector and improve their strategies to survive in the global market.

Multiple areas are being reported in the literature for improving the performance of business schools to cater needs of the corporate world. One of the major areas is program offering as business schools are not offering innovative programs to meet corporate demands. Business schools are experiencing an increasing pressure to innovate their programs to meet the needs of the business sector (Burack, et al. 1999). Researchers recommended that business schools might change their strategies and may offer customized MBA, Online MBA, International MBA, and executive MBA programs to meet industry needs (Friga, et al., 2003; Lorenzi, 2002; Barret, 1994).

The second area is the irrelevancy of the business curriculum. There is a need to equip the graduates with the demanded skill set to perform competently in a global business environment. Business schools are facing the challenge to develop a curriculum compatible with the real-world of business (Crainer & Dearlove, 1999). Presently business schools are more focusing on providing theoretical and bookish knowledge although practical and business knowledge is critical to the success of its graduates (Cornuel, 2007; Khan, 2006; Miller, 2006; Kemelgor, et al. 2000; Barker, Gilbreath, & Stone, 1998). Likewise, business teachers are perceiving pressure from the corporate world that business ethics should be included in the curriculum to make students socially responsible citizens (Gottardello, & Pàmies, 2019; Obiete, Nwazor & Ifeoma, 2015; Ali, et al., 2012). It may be concluded that business schools should continuously assess their curriculum to ensure its compatibility with the corporate sector. The third problem is business teachers are not using the appropriate methodology to impart desired skills to business graduates. Many business teachers are still using traditional lectures and case studies but there is a need that teachers should innovate their teaching methods for imparting the desired skills to graduates. (Zeshan, et al. 2014; Kolachi & Wajidi, 2008; Doria & Cohen, 2003). Various teaching methodologies are suggested in the literature for business teaching. It is recommended that teachers should use teamwork to nurture leadership skills and confidence in business graduates (Churchill, 1995). In addition to teamwork, teachers may use experiential learning strategies to impart relevant interpersonal skills. It could be a remedy as 90% of skills required in graduates could be developed by using these teaching methodologies (Heaviside, et al. 2018; Miller, 2006). Moreover, it is also suggested that to ensure practical competency business schools should use case studies (Cornuel,

2007). Another recommendation is that teachers should give business projects to the students by the mutual consultation of academia and industry.

The panacea to all the discussed problems is the industry-academia partnership (Kramer, et. al. 2020; Manevska, et. al. 2018; Rufai, Bakar & Rasheed, 2015; Friga, et. al., 2003). There should be a fine relationship between business schools and industry. Both sectors can help each other by exchanging ideas to develop up-to-date curriculum, course contents, and teaching pedagogies. Both sectors can capitalize on their strengths to produce work-ready graduates.

The Pakistani job market has mixed responses for business graduates. It is reported that there is a surplus supply of business graduates who have no job. Multiple reasons are behind this situation, first business teachers are not teaching marketable business skills to their graduates. Second, there is more focus on theory; third, less importance is being given to practical and technical business training (Khan, 2006). It may be concluded from the reviewed literature that business schools are not performing up to corporate sector requirements. The quality of the next generation of business leaders will mainly be dependent on how well the business leaders will perceive and respond to the ever-changing environment. There is a need that business schools should be more responsive, nimble, innovative, and efficient in continuously adapting their strategies to the needs of the business world (Acito, McDougall, & Smith, 2008). Business faculty and management is a key player in perceiving these problems and restating their programs, contents, and pedagogy to be competitive, therefore, it is necessary to investigate the perceptions of business teachers about the influence of corporate sector on business schools' strategies.

Objectives

This study was conducted to achieve the following objectives:

- a. Measure the perception of business teachers about the effect of the corporate sector on various strategies of business schools i.e. program offerings, the curriculum of programs, teaching methods, and partnership.
- b. Find the difference of opinion among business teachers regarding the perceived influence of the corporate sector on business schools in terms of their demographics.

III. STUDY DESIGN

This research is quantitative and employed a survey design as opinions from participants may best be taken through a questionnaire survey (Zhao, et. al. 2009). The responses of business teachers were taken by a self-report survey.

The current research was carried out in business schools situated in Islamabad and Lahore regions of Pakistan. At first phase, Fifty percent of business schools (20) located in these regions were selected conveniently. At second phase, 50 % of business teachers were selected from these business schools as per sampling criteria given by Cohen et. al., 2007 & Cohen et. al. 2003. As a result, 250 business teachers were selected conveniently as the sample of the current study.

After an intensive literature review, a questionnaire was developed consisting of twenty four closed ended statements. It was pilot tested and the reliability of the questionnaire was calculated as (.85) and it was enough to conduct a study on large scale. Data was collected personally. It was edited and analyzed by using SPSS. The results were as follows:

IV. RESULTS AND DISCUSSION

This study was conducted to measure the perceptions of business teachers about how the corporate sector is influencing the different strategies of business schools. These strategies are related to change in program offerings, contents of the programs, changes in methods of instruction, geographical expansion, and developing a partnership with other sectors. Business teachers were asked how the corporate sector is influencing the strategies of business schools to cater to their demands. Chi-square statistic was used to investigate the perception of business teachers and for measuring the significance/intensity of responses effect size was also calculated for each statement.

In program offerings, five programs i.e. International, Executive, Customized, Online, and Split-degree MBA were taken. Teachers were asked which program is being offered by business schools in response to the needs of the corporate sector. Statistics showed that faculty agreed with a large effect size that the corporate

sector is influencing business schools for offering executive, customized, and international MBA programs, whereas they did not perceive that industry is driving business schools for offering split-degree and online programs. Literature also supports these findings that business schools are offering these programs in response to corporate sector needs (Friga, et. al. 2003; Burack, et.al. 1999; Barret, 1994). But when one studies the Pakistan market concerning program offerings, most of the business schools are offering traditional and executive MBA programs. As the companies are competing globally they demand a different skillset from business graduates which may not be nurtured in them with the currently offered programs. Therefore, business schools in Pakistan should fill this gap by identifying the needs of the industry and design programs to be more relevant and effective. Pakistani business schools may design customized MBA programs as demanded by the corporate world.

When business teachers were asked about what changes are taking place in the contents of the programs due to the corporate sector, they strongly perceived that there is a change in the curriculum of the programs. They reported that business schools are adding content to improve the computer, interpersonal, and intercultural skills of business graduates.

Many researchers reported the same findings that the content of the programs should be upgraded to cater to industry needs (Gottardello, & Pàmies, 2019; Ali, et. al., 2012; Bindra, 2010; Hancock, 2008; Khan, 2006; Miller, 2006; Sadri, 2002; AACSB, 2002; Kemelgor, et. al. 2000) but on the other hand, there are researches which identified that business schools are not taking the right steps to cater to the criticism of irrelevancy and ineffectiveness of its curriculum. The most ironic part is most of the top leaders of business schools considers these skills as most important but in reality, these are the least effective component of the business curriculum.

In the case of changing teaching methods in business schools, faculty strongly agreed that the corporate sector is demanding them to use the case study and project-based teaching methods. In addition to this, they also perceived the high influence of the corporate sector for using information communication technologies in classrooms for the effective teaching-learning process. These findings are again supported by many research studies (Ugwoke, Edeh, Ezeema, 2019; Zeshan, et.al. 2014; Cornuel, 2007; Doria & Cohen, 2003; Churchil, 1995). In Pakistani business schools, the top practiced methods are lecture and discussion method (Zeshan, et.al. 2014). Institutions are also using case studies and project-based teaching. Business teachers are also employing ICT in the teaching-learning process but the efforts are just like a drop in the ocean. One possible reason is that teachers are not trained to employ innovative and appropriate methods to deliver content. If the leadership of the schools would be committed, this component can be made effective by continuous training of faculty to upgrade their pedagogical skills.

Business teachers perceived that schools are developing partnership with corporate sector but they did not perceive influence of the corporate sector for developing intra-institutional partnership. These findings are similar to the findings of other researchers as business schools are starting to make an effective partnership with the business sector to improve the quality of graduates (Rufai, Bakar & Rasheed, 2015; Khan, Shah & Azam 2011; Kolachi & Wajidi, 2008; Pearce, 1999; Richards-Wilson 2002).

The second, objective was to find variance in responses based on respondents' demographics. The Independent sample t-test was used to know the difference in opinion across responsibility (faculty; management), sector (Public; Private), and gender. The results show that there is no difference of opinion among respondents concerning gender, responsibility, and sector. Both groups agreed that the corporate sector is influencing business schools to make changes in studied factors.

V. CONCLUSION

The purpose of this study was to investigate how the corporate sector is influencing business institutions to make changes in their strategies such as offering innovative programs, improving curriculum content, using different methods of instruction and developing partnership with other sectors. Data was collected from business teachers. It may be concluded that business faculty perceived high influence of the corporate sector in driving changes in content and methodology of business schools but the moderate level influence is perceived on programs and partnership of business schools. In Pakistan, business schools are mostly offering traditional and executive MBA programs but there is an opportunity that business schools may offer customized programs as per industry needs. Moreover, business faculty agreed that the corporate sector is influencing business schools for incorporating the contents in curriculum which can cultivate computer, ethical, interpersonal and intercultural communication skills in graduates. Whereas, case studies and project-

based teaching methodologies are perceived as influential for nurturing required skills in business graduates in Pakistani business schools. Moreover, business faculty perceived that institutions are developing partnership with industry and other business schools to be more relevant and effective in their offerings.

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