

# Addressing Industry-Academia Gap in Business Schools: Promoting Skill Development to Increase Student Employability

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## Abstract

As a consequence of India's liberalization policy, the post-reforms period in India since 1991 has been characterized by structural changes in the economy. Growth in services and foreign direct investments has led to a multitude of employment opportunities in India. Growth of IT and IT-enabled services, technology portals and entrepreneurial opportunities in India has led to the demand for skilled and competent professionals. This has sparked great interest among graduates to acquire a post graduate qualification in management. A management programme enables acquiring of soft skills by students along with functional expertise. However, reports suggest that many of the post graduates in management are not employable. This gap has been attributed to the lack of adequate interface between industry and academia. Often it is perceived that academia alone benefits from collaboration with industry. But nothing can be farther from the truth. Industry can benefit too by having access to quality research and a greater appreciation of the conceptual models that can help business decision making. Industry also benefits by having access to a talent pool that can be easily moulded to fit both strategic and operational roles. This paper talks about the synergistic effects of industry-academia collaboration and the areas that need immediate attention.

**Keywords:** Industry-academia collaboration, Guest lectures, Total quality management, Doctoral degree, Students, Customers, Conferences, Field study, Research

## Introduction

Due to the rapid evolution of the business environment and the vast transformations throughout the academic realm, collaboration between industry and academia has assumed increased significance. Companies can offer business insights and students contribute by way of proven methodology and expertise. Companies can have access to latest research efforts.

Mutual convergence of interests between industry and academia is a must. Each party has certain expectations of the other side. Companies expect ground breaking research to be accessible to them and academic institutions expect their students to gain experience in the form of internships, summer training and project work. Academicians would like to be given opportunities to transform their theoretical ideas into practical projects.

The collaboration between universities and industry is becoming more relevant. Companies benefit from hiring highly qualified graduates with latest knowledge and core management skills. Business research and education should have relevance and positive impact on practice, policy, economy and society. Collaboration between industry and academia has now become a fundamental necessity.

Industry experts have opined that business schools are structured to serve academic disciplines rather than thinking about satisfying the needs of business. This is an unacceptable logic by all counts. If we look back at history, we will

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realize that academic research has made an important contribution to industry across the globe. C K Prahlad's bottom-of-the-pyramid model has been adopted by many businesses across the world.

The main objective of a MBA program is to develop future managers and potential leaders. If we take India, considering the start-up friendly policy of the government, the MBA program can also hope to ignite the entrepreneurial spirit in the students. But the truth is that there is still a deep chasm between industry and academia. This may be because of misplaced expectations, inadequate engagement between both sides to understand each other's roles and reduce the information asymmetry between them. This gap has led to a situation such that many of the students passing out of business schools need lots of grooming after they enter the industry. Students realize that the theoretical knowledge gained by them is only of limited relevance in the industry.

Many business schools have now realized the need to add a special coaching module for developing the soft skills of their students. Notwithstanding all this, the fact remains that most MBA students suffer from poor communication skills and most of them suffer from inertia to take corrective action to improve their capabilities.

This paper has taken pains to explain that industry-academia collaboration can no longer afford to be a mere rhetoric. Strategic planning and action on both sides is a must. This understanding will propel both sides to take actions and this will immensely benefit all the stakeholders. The Universities have to play the role of a match-maker between industry and academia.

## Literature Review

Collaboration between two entities can deliver synergistic benefits and create win-win situation. Even collaboration between industry and academia needs to be planned well and universities must play the important role of acting as conduits between academic institutions and business houses.

Both academic institutions and industry must be proactive in stimulating collaboration. Shared meetings, planned visits to firms, networks established among the organizations, regular news bulletins, periodic reports made by academicians and organized websites can enhance industry-academia collaborations. Field studies can greatly add value to academic research (Kaymaz et al, 2011). Case studies can be written by faculty members based on visits to commercial establishments and proper understanding of the challenges faced by them.

Joint projects between industry and academia face the uphill task of appropriate allocation of budgets. Adequate

budget allocation for joint projects between industry and academia is necessary. Collaboration protocols should be signed between universities and industrial organizations for applied research which would then develop organic links with industry. Though it is a fact that academic research is generally considered leagues ahead of research conducted by industry, it is also important to ensure that academic research is of relevance to industry. (Kaymaz, et al, 2011).

## Guest Lectures

Many management institutions and business schools organize guest lectures. But the question remains – how relevant are these? How are the topics chosen? What are the criteria for selecting a guest speaker or a guest lecturer? Guest lectures can light the fire in students about how exciting the field and practice are and how much career potential a particular field can offer. Teaching faculty has to be informed about the changing educational needs of the industry so that teaching programmes remain current. (van Hoek, Godsell & Harrison, 2011).

Guest lectures can lend credibility to the subject area and give a glimpse about career opportunities. There is a gap between management theory and practice, rigour and relevance. There has to be constructive alignment such that guest lectures must be integrated with part of the course design instead of treating it as an optional extra. This is where the problem lies. Lack of integration of guest lecture with the course curriculum makes students treat the guest lecture blithely which is grossly unfair.

Guest lecturers can be used to co-teach a case study. They can also be used to teach a specific topic in the syllabus. However, guest lecturers must not be used as a substitute for faculty but they must be used to augment them.

The role of faculty is to help students grasp the theoretical underpinnings of a subject and that of the guest lecturer is to supplement this with insights into the practicalities of theory in action. Guest lectures have to be provided with advance information regarding intended learning outcomes, time duration and delivery style. One should also understand the expectations of guest lecturers from the students.

Today business schools are striving to establish a continuing relationship with their alumni. Some business schools have set up alumni associations and encourage former students to become members. In IITs a special function is organized so that all the alumni from across the world can meet and contribute to the future growth and development of their alma mater. Students & alumni are excellent sources of industrial contacts. Alumni provide a route into the company and access to the targeted executives in an organisation. Attendance at practitioner conferences – particularly those of relevant professional bodies or local business networks is a great way to identify new guest lecturers.

Many executives find being a guest lecturer personally rewarding as it promotes a sense of giving something back to the educational system. Guest lecturer enables students to bring the theory to life and consider the practical and managerial implications of the theory that they have learnt.

Across the globe, the cultures in universities have become more open. Guest lectures by industry veterans are gaining popularity among students. Professors are now being called upon to act as business coaches and supervisors for collaboration projects.

### Student Projects

A typical MBA program involves students doing projects. But this is an area which has never got the importance that it deserves. Students end up feeling that doing projects is only to gain marks and pass the examinations. Academic institutions often leave it to the students to find out a company where the students can do their dissertation project. The end result is sub-optimal.

When students are involved in projects, they can develop new solutions for the corporate world. For corporates, this research can be cheaper than hiring contract research agencies. Professors need to put across the skills to help their students transfer ideas and strategies into practice. The professors need motivation too as it is no easy task guiding students who do not show reasonable level of commitment and interest in doing a project.

### Teaching fraternity – Human Capital for a business school?

Across the globe, teaching faculties are considered as a key asset for a business school. They represent the human capital of a management institution and they need nurturing. But what is the reality? In many institutions in India, operational efficiency takes precedence over quality of teaching talent.

With the job security of a professor linked to the number of admissions secured by an institution every year, one can very well imagine the plight of the teaching fraternity. Professors are, as per reports in some section of the media, confined to teaching jobs and certain administrative jobs. A research effort by a faculty member is seldom acknowledged; forget about getting rewarded for it. Consultancy assignments by faculty members are either scoffed at or discouraged even though this can generate revenues both for the teaching fraternity and the business school.

Industry academia collaboration needs active involvement of the teachers in a business school. A faculty publishing 5 research papers in a year should not be considered a good enough metric. How many of these research efforts have a profound impact on industry? Has the teacher

demonstrated his/her capability for transfer of research insights inside the classroom?

One cannot always blame the teacher though. The demands of finishing the syllabus within a stipulated time will leave little time for the teacher to do anything more. In a class where we have students with divergent interest levels, it can be a Herculean task to transfer research insights to all and sundry.

Management consulting companies can have selected professors as competence partners in their network. The companies can benefit from knowledge transfer, access to new methodologies and innovative ideas and this can certainly give them a competitive edge. But academic institutions need to demonstrate a flexible approach to encourage such partnerships.

Business engagement is often seen by business schools as something that is “nice-to-have” rather than something that is “must-to-have”. The structure, management and governance of business schools need examination.

Faculty members who have begun their career in academia seldom lack the experience or expertise to deal with industry. Agility is important in business. So there can be a skill gap in this arena. People who have worked in the industry can be encouraged to join academia but this will need pay parity and proper incentivisation.

Professors can develop real-life case studies and this can prove to be of great relevance to students in terms of developing their analytical skills and appreciation of the problems and challenges faced by businesses.

For any management institution, the challenge is how to develop business school staff those who can have the skills to fit research requirements with business engagement priorities. There is a need for full blown institutional relationships between academia and business — both in research and teaching domains.

### Acquiring doctoral degrees – an end or a beginning?

Doctoral programs are now being offered by several varsities though not all of them maintain similar standards. In the absence of a level-playing field, the situation has become more complicated. Acquiring a doctoral degree is not an end but a new beginning.

But most faculty members get so bogged down by the time and effort involved in acquiring a doctoral degree that they do not continue to update themselves later on. Big data analytics is becoming popular today to solve business problems and a doctorate can take active part in this by joining hands with industry. Industry-academia collaboration can thrive and sustain if more and more doctorates are absorbed by the industry.

It is not enough for business schools to run some knowledge transfer partnerships and teach entrepreneurship. Fundamental changes must be made to the way that business schools are structured and the skills demanded of their staff. In this way business schools will ensure that collaboration with industry is at the heart of their actions, from teaching to research.

### Academia and Industry – Convergence of interests

Often it is found that academia and industry are operating in two different worlds despite the fact that both have been doing exceptional work in their respective areas.

When industry is directly involved in business education everybody wins! The needs of employers are rapidly changing. Student learning is both academic and experiential and companies gain new perspectives from students with their fresh ideas and their generational insights.

Today students want to understand what it means to become responsible, ethical leaders, and learn what it means to exercise informed judgment. Today's generation is keen to make a difference to the world and excel despite their individual handicaps. Technology is helping in rapid dissemination of relevant information. Online courses like the ones offered by Khan Academy and course era are fuelling the interest of students.

Strong partnership between industry and academia is essential to gain understanding and spark effective change. When there is greater engagement between industry and academia, industry will have the opportunity of shaping a generation that will believe in the magical powers of conforming to ethics and code of conduct.

Business school faculty can identify ways to support innovation through academic research. The faculty members can provide practical insights. The voice of the business world has to be heard and respected to bring about changes in management education.

How do we identify the competencies necessary for success in the 21st century? How can we harness digital technology and cultivate innovation and entrepreneurship?

Academic institutions must increase their relevance to society at large around the world. The MBA curriculum must be integrated closely with the practical needs of the present and future. This will need academic institutions to establish stronger partnerships with industry. This can result in more of experiential learning and increased placement opportunities for students pursuing the MBA course.

Technology can be gainfully employed to expand our global reach. The curriculum can be diversified across schools and industries to strengthen the business model and make

business models more competitive. The curriculum of business schools in India needs to be benchmarked with that of world class business schools across the globe.

Students have to appreciate and understand the major forces transforming business— as these provide the essential context for innovation, informed decision making and growth. It is no longer sufficient to have knowledge solely about the management functions, from accounting to marketing to strategy. Field trips and factory visits for students aid their learning.

Digital technology, health and life sciences, financial sector, manufacturing, social enterprise and sustainability are at the forefront in terms of job creation and value creation today, and for the foreseeable future. A basic understanding of these sectors— even if your industry is not directly related -is essential because it is inevitable that the growth of your business will be directly linked to them; they will impact every business in every country around the world.

Industry-academia exchange programme will improve the teaching pedagogy, learning input and the quality of management education all put together. Revision of curricula should be a part of in-built improvement mechanism where the exercise should be carried out by industry and academia both jointly to give need-based and quality oriented curricula. (Punia & Kundu, 2005)

### TQM in management education

Applying TQM in management education, the customer here is not only the students, but also the industry. The TQM philosophy is based upon collective responsibility, accountability and participation, process and performance expectation and concurrent performance appraisal, transformational leadership, benchmarking, kaizen etc. TQM in fact demands a change based on the needs of the customers and not the value of the providers. (Punia & Kundu, 2005)

Introduction of TQM in management education calls for a feedback-driven interaction between management schools and industry, support-driven interaction between faculty and students and an in-built mechanism of continuous improvement within the management institution. (Punia & Kundu, 2005)

Students cannot be treated as customers of a b-school in the strictest sense of the term. Anything that is needed to protect the interests of students deserves consideration - however using student feedback to fire teachers is certainly not a good practice. Despite efforts put in by a teacher, if a student does not study and fails in the examination, how can the teacher be held responsible? The real customer of a business school is the organisation that visits the business school for placements. Business schools need to look at



innovative pedagogies and a curriculum that represents the interests of the corporate sector. Flipped classroom is one such model that promotes active learning but there is still a long way to go in a teaching environment that has to satisfy the dictates of a University-prescribed syllabus.

### **Myths about industry-academia collaboration and recommendations to dispel them**

The general perception is that industry-academia collaboration is one-sided especially when it comes to management institutions. Industry scouts for suitable candidates in management institutions. Such placements enable management institutions to use it to attract more candidates for enrolment in the institution next year. But industry can also use management institutions as a source of academic research and can invite faculty members for consultancy assignments and for conducting training programs and workshops. But this will need management institutions to adopt a flexible approach towards their faculty members. There can be revenue-sharing agreements between the management institutions and faculty members. But a rigid approach will not serve the purpose at all.

Management institutions must make it conducive for more industry professionals to join as full time faculty members. But this needs them to make the jobs more remunerative. A professor's job is comparatively more intellectual than a working professional's job. Comparing the two is not the correct way of evaluating the job of a faculty member.

There has to be ongoing relationship between industry and academia and not one-off interactions. Students must be given opportunities for summer training in organizations of repute. Outstanding students must be given an opportunity to join the organization after completion of their course.

### **Efforts that can enhance industry-academia collaboration**

In Bangalore, part-time management programs are not very popular. These programs are offered in a few select organizations. Every management institute must introduce part-time MBA programs for working professionals. This can create a win-win situation for everyone – the institution, the student and the faculty members. But this can be a success only if faculty members are suitably incentivized. If they are exploited in the name of cost savings, the results can become counter-productive.

The Executive development programs/ Management development programs are other sources for greater collaboration between industry and academia. Unfortunately, it has been reported that most institutions organize such programs only with the intention of getting accreditation from academic regulators. So, such programs are often looked at with cynicism.

Earlier academic research was confined to basic research. But now as more and more organizations are outsourcing work to India, opportunities for applied research have expanded. This has led to convergence of interests between industry and academia.

Contrary to popular perception that academicians are far removed from reality, if we turn the pages of history, we realise that many management scholars have proposed theories that have been found to be immensely useful to industry. Michael Porter's 5-forces model is still popular today though the model was proposed years ago in the 80's. The motivational theories proposed as part of Organizational Behaviour are still relevant today. Many of the theories in Supply Chain Management and operations have benefited the industry. Research in a phenomenon called "The Bullwhip Effect" was triggered

by a phenomenon observed by P&G. Researchers from Stanford led by Hau Lee diverted attention of the world to the bullwhip effect and this has led to a huge body of work in this area.

Academicians and industry researchers can work together to bring in synergy. While the academic side can help in conceptualization and generalization, the industry side can provide practical inputs. For this synergy to be realized, the gaps in communication must be overcome.

Regular visits by the faculty to the business establishment and interaction by industry experts in the academic set-up will greatly influence the quality of interactions between both sides.

Academicians can be involved in research in exploratory projects by the corporate world and also in problem solving. This will help the academicians appreciate the problems of the business world in a profound manner. This will defin

Systematic and continuous professional development of teachers is a must. Learning must not stop after a faculty acquires a doctoral degree. Universities and institutions must conduct academic audit of teachers wherein faculty should be provided with target bands for academic and research outputs. Industry association can contribute to increased employability of management students. (Tiwari & Anjum, 2014)

Staff exchange programs with foreign universities to bring vibrancy and uniformity of standards in teaching and research is essential. (Tiwari & Anjum, 2014). According to the National Skill Development Corporation (NSDC), a public-private partnership tasked with funding and directing private skilling programmes, approximately 12.8 million people will join the job market every year in the coming decade.

## Conclusion

This paper addressed the huge chasm that exists in industry-academia collaboration in the field of management education. What is needed is a major change in thought leadership to devise innovative ways of collaboration between industry and academia. Synergy can result due to a proactive approach between industry and academia. It can prove to be a win-win situation. There are different strategies to make this collaboration productive but this will need a major change in the way the business schools and academia think about the partnership. Business schools should realise the value of their human potential and target imbibing a Total Quality Management philosophy to deliver greater value to their students, the business world and society. There are different collaboration protocols available and each one of them can deliver substantial benefits in the long run. Student projects deserve more serious attention in terms of establishing good networks with the business world. Guest lectures can prove to be immensely beneficial from a strategic perspective. They can ignite the interest of students in a positive direction. Thus, in an era where global management education is becoming a reality, integration of curricula across the globe and convergence of interests between academia and industry will reap rich dividends in the long run.

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