

A Pressing Need to Integrate Adequate Skill Training in MBA Education: A study in Karnataka

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Abstract

MBA degree has been one of the most sought after postgraduate degrees in recent times. Most of the educationists believe that the cause of the attraction has been due to growing job opportunities with multinational companies besides other factors like management education helps students cultivate practical and efficient skill -sets required to set up his/her enterprise. But after globalization, the job profile and management of overall company keep changing rapidly due to competition, increase in demand, newer technology etc, whereas the syllabus structure in academics changes at a very slow pace. Hence there is a gap which needs to be studied. It is not uncommon to observe the advertisement by many institutions to have recruited sizable slice of outgoing graduate MBA students. But the reality as found out by various research groups is dissimilar. There is a decline in hiring of MBA graduates by corporates across the country

Key Words Skill training, Corporate, MBA ,Globalisation.

Introduction

Following the globalization, the competition among both the national and the international companies is on the rise. Corporate require - a blend of knowledge, skills and abilities as a prerequisite quality to survive the stiff competition in the market. Given the current high-paced growth and dynamic investment climate in India, the demand for knowledge managers with high levels of technical and soft skills is expected to increase. Over the past fifteen years, India has produced 1.6 million professionals and faces the uphill task of producing another 0.8 million in the next two years .In this demand-supply gap scenario, it has become a challenge to create a group of industry oriented creative human resource. The new brigade of students should be competent to absorb and assimilate transformational leadership skills, business ethics, group dynamics and team building art to make themselves industry-ready. At the same time another interesting finding from the report says that as many as 60 percent management graduates do not make it to deserving jobs because they lack the appropriate level of English needed. (Himanshu Aggarwal)

As per a study conducted by ASSOCHAM, around 2,00,000 students graduated from 5,000 management institutes in the year 2016-17. While the top institutes still hold some merit in the industry, the others are hardly able to boast of quality management education that can help their graduates secure employment and only 7% turn out to be employable.

Data by All India Council for Technical Education (AICTE) shows just 47% of MBAs were placed, 4% less than the previous year, and at a five-year low. Data suggests that more than 220 B-schools in top cities in India have shut down as a direct result of a 45% decrease in campus recruitment. The idea of MBA has been affiliated with building the career prospects among students. The advantage of an MBA education is to augment flexibility and ability to pursue various career fields, and move ahead to higher and better-paid jobs. MBA degree also has been utilized to make a faster career growth with its credentials by many ambitious executives. Attraction of a “attractive pay package” has been a contributory factors for the unusual admission seekers in tier 2 cities. Ideally it is expected that pursuing an MBA should be a matter of personal choice, an passion and not the result of parental and peer pressure. The 2012 National Employability Report, talent assessment Company “Aspiring Minds” released a press brief highlighting the employability of MBA graduates from the class of 2011 was below 10 percent for functional roles in the field of HR, marketing, and finance. It is a complex and dynamic process to recruit the managers due to the ever changing situation in the market place. Companies need to train and acquaint the new recruits of managers which is a considerable investment. The newly recruited managers must be able to understand digest and paraphrase the training content with minimal deviation. It's a win-win situation if companies are able to discover right candidates. Therefore, it is observed that off late many companies have begun to outsource the whole recruitment process, given the complexities involved in selecting a effective manager. According to Brejc, et al (2008) the effectiveness is defined as extent to which the performance is achieved compared with planned results and with program and administration costs.

The improvement in the employability may be observed only when soft skills and technology are made a part of the MBA education system and students are exposed for a long period of time. And only this knowledge in background can help them reach the goal of MBA students to grow their career competency and effectiveness. Research also indicates that the integration of technology into instruction occurs over time and follows pattern (Sandholz et al 1997).

Need for the study

The job profile and management of overall company keep changing rapidly due to competition, increase in demand, globalization etc. whereas the syllabus structure in academics changes at a very slow pace. Hence there is a gap which needs to be studied. It is not uncommon to observe the advertisement by many institutions to have recruited sizable slice of outgoing graduate MBA students. But the reality as found out by various research groups is different. There is a decline in hiring of MBA candidates, states the 'India Skills Report 2019'. Many teachers from MBA colleges also give their opinion to support the findings on declining trends of employability among te students. Taylor (2010) found six factors within leadership that positively affect student achievement: a focus on

student learning, encouraging intellectual growth, and personal stake in the change, cooperation, consistency and data-based decision making.

Problem Statement

With innumerable students passing out with MBA degree every year and skills set required for the corporate jobs rapidly changing, most colleges claim that students from their colleges are recruited every year. But the latest reports are contrary, saying that employability among MBA students is declining.

Objectives of the Study:

1. To know the employability skills among the MBA graduates as perceived by their teachers
2. To identify the status of campus recruitment of MBA graduates in the last three years
3. To understand the reasons behind the falling employability skills among MBA graduates

Limitation of the study.

1. Many faculty member keep changing the colleges for better prospects resulting in the limited knowledge about the present college under study
2. Faculty members hesitate to disclose the complete information with the lurking fear that college management may not like it to divulge.

Research methodology

The present study is based on analysis that are - both qualitative and quantitative. Data collection process involved questionnaires surveys, interviews, and observation. The study was based on primary data. The objectivity of the evaluation of responses was achieved by using Likert-type scale and the grading scale. Data was collected between March 2016 and March 2017.

In the present study Sample represented 38 Management colleges (MBA) in Karnataka. The colleges were situated across 12 districts of Karnataka. The MBA colleges under the study were both Private and Government colleges. Questionnaires were sent to 300 teachers among the 38 selected colleges of which 216 teachers' responses were received. Convenient sampling method was used for the study (No inclusion criteria were employed prior to selection of samples.)

Data Interpretation and analysis

For the present study two aspects about the MBA graduate's employability have been considered.

1. Opinion of the teachers on the caliber of the outgoing management graduates. (Table1)

2. The number of management graduates who actually got placed in companies through campus interviews. (Table 2)

Employability skills

Table 1. Distribution of Sample Teachers by Percentage of Students Employable in Colleges

Percentage	Frequency	Percent	Valid Percent	Cumulative Percent
<10%	8	3.7	3.7	3.7
<20%	44	20.4	20.4	24.1
<40%	68	31.5	31.5	55.6
<50%	96	44.4	44.4	100.0
Total	216	100.0	100.0	

As per the opinion of the sample teachers, 44 per cent of the sample teachers mentioned that less than 50 per cent of the students were employable. The proportion was less than 40 per cent in the case of 32 per cent teachers and less than 20 per cent in case of about 20 per cent teachers. And four per cent teachers mentioned that less than 10 per cent of the students were employable.

Actual Employment

In comparison with the opinion on the employability of the management graduates, the actual employment obtained through campus interviews in the last three years (from the following table) shows that less than half of the students (40-50 per cent students) obtained jobs in only half of the management institutions in metro. Same was true in city colleges also, where only 66 percent of the management institutions had less than half of the students' placements.

It was 20-40 per cent as mentioned by one third of the management institutions, 10-20 per cent in 20 per cent of the management institutions and less than 10 per cent in nine per cent of the management institutions.

Placement through campus interview

Table 2. Distribution of Sample Teachers by Classification of Place and Percentage of Students Obtaining Jobs in Campus Interview

Classification of Place	Percentage of students obtained jobs in campus interview last three year				Total
	< 10	<20	<40	<50	
Metro	0	0	8	48	56
City	8	24	64	48	144
Town	12	0	0	4	16
Total	20	24	72	100	216

Summary and Conclusion

It was observed from the study that MBA colleges are striving hard to engage the students into placement activities. The study revealed quite a few facts about the employability and background related to employability skills of the MBA students. According to teachers, trends about the employability were not encouraging among the students. Half of the teachers said that less than 50 per cent of their students were employable. According to Assocham Secretary General D. S .Rawat ,the quality of higher education in India across disciplines is poor and does not meet the needs of the corporate world,” (The Indian express 2016) Moreover, only a handful of MBA centers have research facilities as a result of which most of the colleges lack the strong research atmosphere. Of late private MBA colleges are on the rise. The trend towards privatization has been stimulated by the Government, by active encouragement of commercial investment in education. It was also revealed during the discussions with MBA faculty members that, they take teaching MBA as just as any other regular post graduation course undermining the concept of MBA as a practical professional business course with a contemporary market outlook .

It was also discovered during the study that the absence of enthusiasm among the faculty members to upgrade their quality of teaching through innovation (contemporary market outlook) can be attributed to the fact that, primarily most of them do not have industrial working experience. Most MBA faculty members join teaching profession just after their formal education, lacking in hands on “Managerial Experience”. Many industry experts feel that the absence of industry exposure among MBA faculty members play a major role in avoiding the up gradation of the pedagogical discipline. The reason (as expressed) was prevailing unemployment and their lack of skills to work in industry. Such MBA graduates are ready to join as faculty members for low remuneration. The UGC pay scales are not being implemented in many colleges. It was also ventilated by many faculty members of private management colleges that there are no motivating factors like extra allowances, and remuneration and also far below their counterpart in Government sector and much below corporate sector.

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