

MAKING ACADEMIA-INDUSTRY INTERFACE WORK

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Abstract

Universities and industry, 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 the business environment today have necessitated these two to come closer. Higher education institutions not only contribute skilled human resources to business, but also in various intangible ways. The intersecting needs and mutually interdependent relationship requires identifying means of further strengthening academia-industry partnerships.

This paper attempts to explore how business schools can work closely with industry, study the dimensions of academia-industry partnership, and identify possible areas where industry's contribution to academia would be most effective. This Exploratory study involves first hand information from faculty and heads of business schools on this issue, and focuses on the Indian scenario.

Introduction

Extremely dynamic business world and the rapidly developing knowledge based service economy have put in an increased demand for professionals to manage the business effectively. And this is precisely the reason why amongst various other fields of knowledge, desire for acquiring management qualifications is growing, both amongst the fresh graduates and working executives.

India has also not remained 'untouched' with management degree and business education in India has been on a rapid rise in last one decade. In India, before the 60's, business education was not offered as a separate area of specialization. Employees in the businesses were mostly graduates or postgraduates in 'Commerce' stream. In the 1960's, business education formally starting gaining importance in India with the establishment of two Indian Institute of Management; IIM Calcutta in association with Sloan School of Management and IIM Ahmedabad with Harvard Business School. After that there has been a relatively slow but steady growth in number of schools and popularity of business education in India. A massive upsurge in the number of business schools was observed post 1991 when India was liberalized and opened to the global world. Many multi-nationals entered India bringing with them increased demand for professionals. Business education now moved beyond the domains of government control with establishment of many private institutions.

Indian economy was being integrated into the world economy. As any other ambitious society, India also started placing great importance on commercial activities as a

catalyst to socio-economic development. Resurgent India sees wealth creation as a great equalizer amongst all sections of the society. In such a scenario a knowledge worker who can work at the cutting edge of technology, add value to the bottom-line, and provide competitive advantage to industry has become a hot commodity to acquire. In tandem with such rapidly escalating demand for business education, in year 2004, the number of business schools in India has grown to 1320 from just 130 in the year 1991, offering more than 75,000 seats. More than 80% increase in number of business schools is coupled with increase in number of students competing for admission to the above. Each year more than 1.5 Lakh students in India compete for admission to prestigious business schools.

Though the very advent of business schools in India was to cater to the demands of the industry, the two entities have traditionally been operating in separate domains and as more or less isolated islands. Their partnership is only episodic and accidental, and without any strategic intent. According to Friga, Bettis and Sullivan (2003) the trends of evolution of management education indicate that knowledge creation is becoming more students based. This will usher in a variety of changes including paradoxically a trend towards close interaction among students, industry and the faculty.

Need for Academia-industry Interface

Academia-Industry Interface could be defined as interactive and collaborative arrangement between academic institutions and business corporations for the achievement of certain mutually inclusive goals and objectives. Traditionally, business schools were looking for placements and internships for their students and the industry for fresh recruits who are well trained and equipped with the right KSA (knowledge, skills and attitude) to be able to contribute to organization's growth. Bisoux (2003) has explored the relationship between academics and industry. He says that corporations are placing growing emphasis on finding the "right person". It forces the business schools to think more carefully on whom they hire, and therefore the role of industry in the entire business school model becomes important.

Today, the business schools have realized the importance of 'working closely with employers' for the following reasons:

- Increasing complexity in academic and business world and constantly changing needs of the industry;
- Increasing criticality of human competence in creating and sustaining competitiveness of the organizations;
- Shift in management paradigm of business schools from earlier academic models to revenue based models. ;
- Growing competition for student placements and industry mind-share, with rapid increase in the number of business schools and hence the management graduates;

- Growing pressure from industry to make their fresh inductees productive from day one to reduce the subsequent training costs. Greenberger (2001) is of the view that organizations today are looking for trained professionals and students capable of taking decisions. Some of the training in formative years comes out from business corporations, via collaborative internships with corporations to enhance learning opportunities to students;
- Increasing interdependence between academia and industry to satisfy need for sustenance and innovation in their respective areas.

Modes of Interface

For the above reasons, Industry rather than just being the customers of business school output today have become stakeholders and partners in progress. Industry on the other hand has also discovered the advantages of collaborative learning opportunities. Corporations seek to play increasingly important role in activities of academic institutions to incubate the talent they need. The shift towards the short-term performance metrics and shareholders interest has led to a number of changes in conduct of business, which has translated its effect on business schools.

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 programmes on offer;
- Real involvement with industry to allow students to gain valuable practical experience and also to facilitate development of business;
- Improve the programmes 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 a number of avenues, through which business schools collaborate with industry. Some of the commonly used avenues are:

1. Guest Lectures by industry representatives.
2. Suggestions in curriculum and content designing.
3. Executive Education and Management Development Programmes.
4. Joint seminars by academia and industry both for executives and students.
5. Consulting on management and related issues by academia; •
6. Academia generating ideas and acting as incubators to new business.
7. Inclusion of industry experts in governing councils and other board of studies.
8. Industry providing financial and infrastructure support to business schools for their development.
9. Funding academic and applied research.

In addition to the above, business schools have taken innovative steps towards strengthening this relationship. According to an article published in Economic Times (November 2004), Management Development Institute (MDI) as a matter of policy has 20% faculty from corporate who has served in top management positions for more than 15-20 years. IILM has framed joint advisory groups with corporate for collaborative consulting and organizing management development programmes. Students are assigned Industry mentors for two years, with an objective to groom them for the future challenges. In spite of the various modes of Academia-Industry Interface, it is still unclear whether this relationship is substantial or only superficial in nature.

It is observed that the major objective of academia.-industry partnership and initiatives taken in this direction revolves around getting lucrative and better job opportunities for graduating students. Byrne (1991) says that companies demand more relevance today. He adds that MBA programmes provide less relevance with the job, are felt to be too long and insufficiently flexible. To improve the quality of output, more and more business corporations are looking to collaborate in more detail with business schools to create programmes, which can be customized according to company's individual needs and requirements.

According to Elliot et al. (1994) MBA programmes 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.

Academics have been including the industry inputs into their curriculum and course designing without assessing the effectiveness of such corporate representatives to these committees. Today it is just a matter of pride for these schools to adorn their councils with big names from industry, with an objective to score high on "Industry Interface" parameter in the ratings and rankings being done by every other business magazine in India. Executives from corporates are invited to take up an entire course or few lectures with prime objective- of getting them on campus for placements, but the learning, students accrue from these lectures is not evaluated.

Similarly, there is not enough evidence available in India of the benefits to business corporations from the research done in business schools. Since most of this research is exploratory rather than innovative, the utility of the same to the industry is rather low. According to Rizvi (2003), Academia-Industry collaboration is a must if industry has to benefit from research and development activity at business schools, and such a relationship should be encouraged across cultures for the benefit of global business. More and more opportunities need to be provided to the faculty through applied research, and case writing to keep them abreast of changes in the business world and hence enhance the overall teaching-learning experience. Dayal (2004), says that "In most cases industry use business schools as recruitment centres. The right interface can develop only when they approach

business schools for help, for which the latter has to equip them to understand business situations in depth and those useful to industry".

Rao (2004) in his report on Management Education in India states that development of industry interactions is an evolutionary process. The main strength of top business schools like Kellogg, Harvard, Sloan, Wharton etc. is their strong relationship with industry through teaching, research, student placements, problem solving and case study preparations; For Indian business schools, an institutional mechanism for developing liaison between industry and each business school and evaluating its impact, need to be established.

In our view, in the present day world, 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. Conclusion & Recommendations

- It is imperative for business schools to bring Academia and Industry closer and build strong collaborative relationship;
- Each business school needs to identify the areas where they can build an effective academia-industry relationship. They need to revisit their mission and academic model to be able to identify the right Interface mix;
- It is not a must that all modes of partnership are equally beneficial to every business school. They have to work on 'differential relationship' mechanism.
- Academia and Industry need to take build organic relationships, with long term strategic intent contributing to growth and development of both the entities;
- The research supports that Indian Business Schools have been traditionally using guest lectures as the most preferred medium of industry collaboration. They are not only considered as a medium to establish industry networks, by giving latter an experience of institute and the students and increasing placement opportunities but also add to the learning value for students.
- Business schools essentially have collaborated with corporate to provide training and internships to students. Two-month internships are integral part of business curricula in India with certain credit assigned. This is seen as one of the best methods of giving students both the theoretical concepts and their applications and enhancing their ability to relate the two for decision making purpose;
- Executive Education and Management Development Programmes are two important areas where Indian business schools are foraying. These initiatives on the part of business schools trigger industry's interest to collaborate by assisting them in development and training of their human capital, hence increasing the mind-share and enhancing the image of the business school. This kind of partnership model is still hi initial stages in India, with a need to work on appropriate strategy for mutual benefit.

- Including industry inputs has been perceived quite beneficial by business schools (3.9) in improving the quality of output and making them competent of surviving in rapidly changing business environment. However, not many institutions have been able to work on the right method of including the industry's viewpoints into curriculum and structuring the course for student and corporate benefit.
- This research validates the above-mentioned statement that collaborative research is still in the infancy stage in India. Academicians across regard academia- industry partnership in case writing, applied research, and problem based consulting as one of the most favored and value adding alliances. But these areas are not exploited by business schools, which is not only loosing on a effective collaborative methods but also denying Indian management education of critical and innovative knowledge and inputs.
- One area, which has not been effectively explored by business schools, is Industry participation in student mentoring. Mentors who are friends, philosophers and guides, are top professionals, who have willingness to impart knowledge & skills and hence bridge gap between classroom and marketplace reality. Mentorship as defined by Gupte (2004) is an interaction at the practice level 'through project of preferably a small group of seven to eight students with the mentor. This concept has been necessitated due to rapidly changing industrial needs in the country on one hand and growing requirement for industry ready individual after education.
- Business schools need to evaluate the effectiveness of various modes, employed by them objectively, so that future course of action can be designed with specific goals and well planned procedures.

Business schools have to move beyond the phenomenon of 'working with employers' towards the concept of 'working with partners'. The collaboration between the two is dynamic and complex. A synergistic relationship has to be carved between the business schools and the industry so that both can benefit and also contribute to enhancing the entire teaching-learning process.

References

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