

Redefining Education to Employment Journey: Changes in Commerce and Management Education

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For our people to benefit from new employment opportunities, we must ensure that every Indian is skilled and educated. Education alone is the foundation on which a prosperous and progressive society is built. I wish to see a revolution in education and skill development in the next five years. We will make India a nation of educated people, of skilled people, of creative people.” Manmohan Singh, the then Prime Minister of India, said at the Red Fort on August 15, 2007.

During the national conference on ‘Development of Higher Education: Expansion, Inclusion and Excellence’ where Vice-chancellors from nearly 400 universities met in Delhi, Mr. Balachandra Mungekar, member, Planning Commission, stated that “only 8-10% graduates get employment. Our education system is devoid of being practical within industries. Seven IITs and a few IIMs cannot be considered as a knowledge base for the entire country,”¹

Even after 65 years of independence, we face the problem of millions of graduates being unemployable for Indian and multinational companies. The Indian education system manufactures 100,000 graduates of which only 53 percent are employable. (Team Lease, 2007, pp.3). A Wall Street Journal article (Anand, 2011) states “75 percent of technical graduates and more than 85 percent of general graduates are unemployable by India’s high growth global industries.”² It is estimated that the percentage of Indian college graduates readily employable in the market is only 15-25 percent of the total talent pool.

For quite some time now, we have been reading or hearing about the 1:4 ratio of employability versus education in the higher education sector. This has been said for general education and management largely and technical education to some extent. Why is this being raised consistently now and how true it is? Is it an indictment of the quality of education

¹ <http://articles.timesofindia.indiatimes.com/2011-12, Dec.7 TNN, B.K. Mishra>

² Anand. G. (2011, April 5). India Graduates Millions, but Too Few Are Fit to Hire. The Wall Street Journal. Retrieved from <http://online.wsj.com>

that prevails in most of the higher education institutions or is it to do with the difficulty of finding a mechanism to catch up with the changing requirements of the job market? If one considers the fact that only about 8% of the total labour force is employed in the organized sector and employment has not registered a noticeable growth during a decade, then the issue of un-employability may be misnomer or is it that the lack of employability have forced the organized sector to restrain their growth potential.

For reasons of regular employment a steady income growth at the desired rate and to stem inflation, employment must shift from the unorganized sector to the organized one and also from the services sector to the manufacturing sector. The latter sector on the other hand would need employable manpower coming from the pure skill imparting institutions or from the higher education institutions on a regular basis.

The gap in employability must be arising from the shortcomings in the curriculum or in the method of delivering the curriculum or both. How is it that the gap has not been addressed for quite some time? What other requirements in this regard are not being addressed to by formal higher education?

This paper addresses many such questions posed above. It also outlines possible modification in the design of the curriculum and pedagogy, mainly in the faculty of commerce and to a small extent in the faculty of management mainly to enhance employability among students.

It relies on discussions with academicians and students of institutions in Bangalore which have done well for themselves in terms of employability and draws from the three decades of experience the author has in various kinds of organizations, some purely academic, some corporate cum academic, some set up by the author himself and two decades of experience as a career counsellor.

The status on higher education in India vis-à-vis employment will through some light on what we set out to probe in the first instance.

Indian higher education system is one of the largest in the world. There were only 20 universities and 500 colleges with 0.1 million students at the time India attained independence. This has increased to 611 universities and university-level institutions and 31,324 colleges as on August 2011 (Table-1).

Table 1 : Number, Nature and Category of Institutions (As on August, 2011)

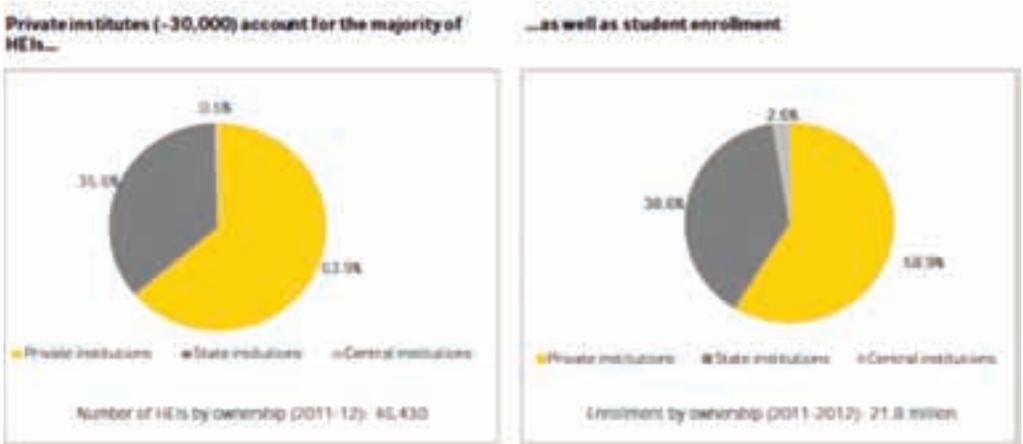
Type of institution	Number
Central Universities	43
State Universities	289
State Private Universities	94
Deemed to be Universities \$	130
Institutes of National Importance + other institutes*	50
Total	611
Total Colleges	31324
Grand Total	31935

*Other Institutes include Indian Institutes of Science Education and Research (IISERs) (5), National Institute of Fashion Technology (NIFT), Rajiv Gandhi Institute of Petroleum Technology (RGIPT) and Jawaharlal Nehru Institute of Post-Graduate Medical Education and Research (JIPMER).

\$ Now 129, as Deemed to be University status of one university has been withdrawn.

Source: ‘Inclusive and Qualitative Expansion of Higher Education 12th Five year Plan 2012-2017, university Grants Commission.

Student enrolment in Higher Education:



Source: Twelfth Five Year Plan: Chapter on higher education, UGC report ‘Higher education in India at a glance’ 2012 FICCI Higher Education Summit 2012

The fact file on employment is:

Table 2 : Percentage Distribution of All Workers by Status of Employment—Self-employed, Regular and Casual Workers—in Rural and Urban Areas in Different Years

Years	1993-94	1999-2000	2004-05	2009-10
Rural				
Self-Employed	58.0	55.8	60.2	54.2
All wage workers *	42.0	44.2	39.9	45.9
Regular	6.5	6.8	7.1	7.3
Casual	35.6	37.4	32.8	38.6
Urban				
Self-Employed	42.3	42.2	45.4	41.1
All wage workers*	57.7	57.8	54.5	58.9
Regular	39.4	40.0	39.5	41.4
Casual	18.3	17.7	15.0	17.5

Note: *All wage paid is the sum of regular and casual workers.

Source: Compiled from Various NSSO Rounds

An interesting fact that emerges from the income –employment scenario is that while income from the Services sector has gone up in the contribution to the GDP, the employment growth in this sector has not been encouraging in comparison with the other countries. This adds to the disparity in income distribution among the population. An important aspect of quality of employment in India is the predominance of the unorganised sector. The size of the organised sector, characterised by higher earnings and job security is small, it accounted for less than 6% of the total employment in 2004-05. Around two-thirds of the total organised sector employment is in the public sector. Over the years, organised sector employment has grown slowly than the total employment, reflecting the faster growth of employment in the unorganised sector. As a result, there has been increasing informalisation of employment over the years.

An international labour report notes that high economic growth and growth of quality employment reinforce each other. The Report argues for increasing the share of organised sector employment in total employment of the country, particularly in the manufacturing and service sectors.

The Report firmly puts on the agenda to best utilize the „demographic dividend by focusing on generating gainful employment for youth, in general, and young women, in particular. The Report notes that given very low proportion of skilled workers at present, a suitable and workable framework to enhance the

employability of workers is essential. The same can be achieved by providing training to workers at various levels with emphasis on recognizing local skills and certifying informally acquired skills along with the expansion of skill development institutions.

Thus Higher Educational institutions have a central role to play in providing the necessary skilled manpower to various sectors by a paradigm shift in academic delivery at all levels of higher education.

Here it will be interesting to note that the private institutions have a significant presence in the Higher Education spectrum and enrol a large percentage of the total students. However concerns of quality have been largely attributed to the institutions managed and run by the Government, which does not really hold water as privately run institutions have fared no better on this front. Some of these issues of quality has to do with ‘research’ or the lack of it and some with ‘employability’. The term ‘employability’ is not only about the ability to be immediately employed but also about the trainable quality of the manpower in case the employer is strategically inclined. For the employer it is also about the quantum of investment to be made on ‘training and development’ upon those employed. This leads us to the question of ‘what constitutes ‘un-employability’ in general.

A close scan of the environment today reveals that, among other factors, un-employability in students emerges mainly from:

1. The inability of the higher education curriculum to keep pace with the all pervasive rapid changes in technology
2. The incompatibility between the learning imparted and the nature of jobs currently allotted to employees or even the ambiguity or vagueness in the jobs allotted
3. The inadequacy of education to address the sales focus in a large number of jobs
4. A global orientation of products, services and processes which the said teaching probably ignores
5. In-adequate technological training at the academic level as against that required for jobs now
6. The lack of English as a language used predominantly by the organized sector
7. The hours of work and the level of performance expected from fresher for which the entrant is underprepared.

The way people perform their work today has changed. Technology has taken over several routine and non-routine parts of a job. Jobs today require more interaction than earlier. Performances are more measurable than decades back. These have changed the expectations from an employee. Whether such expectations have been incorporated in the curriculum for various programs is a question that has

engaged the minds of academicians, HR personnel and institutions. A note by Cisco is worth visiting:

“The question is whether our education system can adapt to this new paradigm. In a globalized workplace the demand for STEM skills (Science, Technology, Engineering and Mathematics) is increasing. Beyond this, the 21st century skills also include the following capacities:

- Problem solving and decision making
- creative and critical thinking
- collaboration, communication, and negotiation
- intellectual curiosity and the ability to find, select, structure, and evaluate information;

And the motivation to be:

- An independent self-starter, who is responsible, persevering, self-regulating, reflective, self-evaluating, and self-correcting
- a lifelong learner who is flexible and able to adapt to change

Learning these skills is imperative for developing countries like India to make the move to a knowledge economy.” (Cisco 2008)¹

Some of the above shortcomings have afflicted a large number of higher

³ Cisco. Equipping Every Learner for the 21st Century. Retrieved from newsroom.cisco.com/dlls/2008/ekits/Equipping_Every_Learner_for_21st_Century_White_Paper.pdf

education institutes since long. It is unfortunate that it has persisted to accentuate the 'Hindu growth rate of 3.5%' till the nation started turning around in 1991. The institutions have failed to address the issues concerning, a strong grounding of the basics, the application based learning and the commitment to the skill part of the curriculum. Post 1991, several institutions have kept a lively if not complete pace with the global standards in education and the market needs. These are both in the privately managed and the government managed ones.

The pedagogy followed in different measures by some of the institutions which the author examined, included:

1. A lot of self-reading material supplied to the student before the commencement of the topic
2. A large number of written assignments for each subject which the student had to submit
3. Class discussion supported by one or more teachers to clarify content in point 1 and to take up application based topics
4. Class-room lectures confined to selected topics generally conceptual –(basic or advanced)
5. Field work (relevant to the subject)
6. External experts to engage upon value added content
7. A choice of additional course to widen the interest and perspective of the student

8. Additional or optional skill enhancement courses which students can opt for

It would be imperative to examine the aspects of Evaluation and Assessment which the institutions adopted as they supported the pedagogy closely.

1. The marking/grading scheme were spread among the components of the pedagogy in a manner which carefully avoided skew among them to a significant extent
2. There were Unit test, mid-term test, end term test (summative but application based and designed to avoid rote learning)
3. A marking scheme for graded attendance in classroom
4. A provision to consult alternative faculty of choice to review an evaluated work

The pedagogy and the evaluation and assessment outlined above clearly requires serious preparation by the faculty before the session begins. This involves a curriculum design which considers the twin objectives of 'research orientation and employment orientation' in addition to other objectives. It requires clear detailing of syllabi and learning outcomes and how such outcomes can be achieved. These involve coordination among the faculty to integrate subjects, adopt a holistic approach and adequately divide the learning time required. It also presupposes a team which is open to constructive criticism and flexibility during and after the delivery of the program.

A part of the purpose of the UGC to promote 'Centers of Excellence' and provide 'autonomy' to several colleges has been to embrace and practice a pedagogy similar to the above or even better. Very few of these colleges/institutions have done so sincerely for whatever reasons. Surprisingly the lack of effort in this front is glaring among the private institutions. Further many institutions specially those under the government may not have the administrative freedom to adopt some of the above methods or develop methods similar to them. There will be constraints of class strength, faculty student ratio, inflexible marking formats and budgets.

It is better to reiterate here that the arguments above are to focus on the 'employability' aspect of higher education in the non-technical disciplines. No reference is being made to quality as in a 'world class institution' or even to 'research'. Given this focus, institutions have to re-engineer themselves if they want to be relevant to the rapidly changing market trends. It cannot be a laid back approach of yonder years as any government on the seat will have to encounter a sizeable populace of young Indians which will steamroll reforms by its sheer size and force.

As set out in the beginning of this paper the second part of this paper will propose a skill based actionable solution or what in common parlance is known as 'practical based' approach to teaching and learning of Commerce and to some extent

Management. This is not comprehensive but eminently thought provoking to facilitate the design of employability focused curriculum and delivery.

Employability is about building capabilities and competencies. It is the capacity to take an overview even when working at the micro level of a function. It is also the ability of looking at the big picture and learn for oneself at an increasing degree of complexity over a period of time. Today employability is also about the ability to communicate effectively. It is about being able to operationalize the learning immediately. One, whose basics are clear, can grasp application of principles and concepts in differing situations. It will be appropriate to refer here the changes which were rendered in the central civil services examinations with effect from the year 2013 on the recommendations of the Y.K. Alagh Committee (2001). While there are controversies regarding the changes after they have been implemented, the committee's observation with regard to the 'job requirement' is worth noting.

"The present testing of optional subjects is based on college/university curriculum. Re-examining the candidates in their own subjects appears to be of doubtful utility. The universities have already done the work... What is important is the relevance of a subject to the job requirements of a civil servant, especially in the changing scenario."⁴

⁴ Purnima S. Tripathi, "Frustrating change", Frontline February 7, 2014

It is also important to observe that “the UPSC made changes to increase the weightage to the general studies paper. It became one of the most important subject in the civil services main examination as opposed to optional subjects. The syllabus of the four general studies papers shows that the commission expects a civil services aspirant to be widely read. ... the candidates are expected to have an understanding of ethics which implicitly requires an understanding of social and legal issues. The new system requires students to have analytical skills and the ability to take a position on controversial issues instead of merely possessing information.”⁵

The above clearly brings out the issue of ‘employability’ for a civil servant in changed circumstances.

Coming back to Commerce, the capabilities expected from a potential employee include numerical proficiency in maintaining financial transactions and evaluating financial performance, comprehending the environment, analysing the impact of economic policies on business, valuing a product or service, knowing legal provisions which impact business and so on.

Commerce is also about understanding how products are made how they are sold and how customers are maintained. In most Indian text books related to commerce the content is written in a generic way with hardly any mention

of any real-time products or companies or processes. In the classroom the students are seldom taught to discover what is missing or wrong and present a solution. They are rather told what is or what is not and then adopt a particular approach only to solve the missing. They are scarcely given scenarios of life and work to grapple with and find solutions. Students are given specific instances with specific details only in most subjects. Application is sorely missing in the sense of finding alternatives and applying the right alternative. Commerce as a discipline is imminently amenable to a high degree of ‘employability’ to be incorporated in both the curriculum and delivery.

An examination of various types of job interviews (by various organizations) provides some insight into the characteristics of employability. These pertain to logical thinking, interpersonal skills, analytical skills etc. Cues can also be taken from the selection procedure of the military services. The appraisal system of various organization also give an insight into the subject of employability. It is a complex phenomenon and could easily be specific to a particular nature of job. Yet there are some common denominators which allow the detection of employability among a group of people. These lead to some basic traits, skills and characteristics which exist in individuals. These then can form part of the curriculum design for most programs and be weaved into the syllabi of courses or offered as a stand- alone

⁵ ibid

course so that learners can imbibe them over a period of time.

Hence there can be generic employability criteria and domain specific ones. Incidentally the internship, required for most programs, is one such course which is supposed to provide a basic peep into a 'work-environment' and offer a fleeting experience of things to come during the actual employment.

Some of the general requisites of employability are:

1. Handling stress
2. Working with team/s
3. Looking for real-time information
4. Interpersonal skills
5. Negotiation skills
6. Product knowledge and comparisons of products
7. Feasibility reports
8. P&L estimation based on demand forecasting
9. Working late hours
10. Handling failure or a negative response
11. Getting market information
12. Making correspondence
13. Office grooming
14. Secretarial work
15. Handling uncertainty
16. Handling execution of work and timelines or lack of them
17. Assessing weak areas for improvement
18. Innovation and new ideas
19. Knowing competitors
20. Knowing the dynamics of an organization

The key activities needed to render a practical orientation to a Commerce or Management education may include:

1. A first-hand knowledge about markets whether small or big—why, how and what of the products being sold by sellers.
2. A first-hand knowledge about some products and how to see the products' attributes
3. A real-time look at bookkeeping and accounts of institutions, small or big
4. Knowledge about real-time costs of products or service
5. Knowledge about documentations to be maintained in offices
6. Real-time impact understanding of economic events on business or otherwise
7. Real-time research on market needs through short primary surveys
8. Real-time knowledge of demand – supply of some products prevalent in the market
9. Real-time knowledge of manufacturing process

The expectation from an employer from a Commerce (under-graduate) student may be:

1. Can the student realize that a business is to be seen holistically

2. Is the student practically aware of the various external service providers whose assistance is imperative for conducting business transactions and some of the documentation to be executed for sub-activities therein such as in Banking, Insurance, transportation, Taxation.
3. Can the value of business be ascertained and a Final Account on an estimated basis be prepared without being given any information directly. Which kind of transactions will change the valuation?
4. How to ascertain the demand for a product/service and thereby prepare estimated B/S and P&L for say 3 years to study the feasibility of a business proposition.
5. How to Plan a real-time event with real-time activities and costs.
6. How the information of market and economic information affects a particular business
5. Valuations of property—market value of property
6. Simulation of Trading in Stock market, treasury and commodity
7. Games for leadership and other behavioral traits.

An example of ‘Book-keeping and Accountancy’ for an entry level student in Commerce is given below:

1. Simulation of a trading shop— Grocery store with some items; stationary; toys; electrical goods; cosmetics—racks with display items and pricing which can be changed. The shop should have other fixtures and furniture. The items present in the shop would help to ascertain the value of the business.
2. The student is to conduct transactions from the simulation—say about 150-200; these have to be entered in cash memos; vouchers, invoices, bills.
3. These should be posted in cash book and general ledger
4. Summary accounts to be then prepared and a P&L and B/S prepared.
5. Excel lessons to make P&L and B/S; to make sales report; and other A/cs
NOTE: can the teacher change the items, prices etc to maintain variety for each student and thereby avoid copying.
6. Once the B/S is made, the value of the capital is divided into shares which can be exchanged. This can be made into a basic trading platform.
1. Exposure to socio-economic and socio-political conditions
2. Environmental scanning and building predictive capability
3. Common business practices in various departments in a stimulated environment
4. Numerical skills using various software on real-time basis

7. Simulation of a passbook and a cash book in case of banking transaction which would trigger the preparation of reconciliation.
8. Preparing bank related documents-such as challans, cheques, draft form etc.

The details given above entail changes in curriculum and the academic delivery. They also obviate changes in evaluation mechanism which appropriately distributes marking system for different capabilities of a student and lays minimum emphasis on term-end formative assessment. The latter should only be used to vet an overall opinion and view or a bird's eye view of a situation or a holistic view of an event or situation. Technology can play a major role in facilitating many of these in a simulated or animated architecture. The suggestions can only be a stimulus to develop a comprehensive curriculum and academic delivery framework. Based on the pedagogy outlined in the earlier part of the paper and the emphasis laid on employability in the later part, an advisable pedagogy can be:

Field work involving, Factory visit, Shop visit, Market visit; Class-room engagement involving Games, Simulations, Real-time scenario solving, Role playing, Live feed of market proceedings, engagement by industry personnel, sample live-documentation of different business functions, lectures on concepts, tutorials on problem solving; Self-engagement using videos of business units, process, application based assignments, readings

and Certification from external training institutes for various skills.

Each element in the pedagogy can be interspersed with the above before, during or after a topic is covered as is relevant for it. The evaluation system can include well designed sketch copy or field visit copy, presentations both individually and in groups, playing games or attending mock business sessions and many more. The topics have to be planned for learning through various components of the pedagogy and the appropriate method of assessment dovetailing into the final assessment criteria. This is a rigorous effort by all stakeholders from the stage of design to final outcome. Many institutions, more than the lack of facilities, find the rigor as the toughest deterrent in undertaking this effort. This is not to undermine some genuine constraints. The constraints are, the size of the class, adoption by the University, the shortage of teachers for each course and implementation bottlenecks.

From time to time it may help to find out what kind of jobs are anticipated in an economy and whether these require a different capabilities to be learnt. This would also reveal the need for offering programs which can fulfil the demand for personnel for these jobs. Thus when the country stands to gain a demographic dividend, it falls upon those who own and run the higher educational institutions, to initiate a bold paradigm shift in the way education is imparted and empower 'young minds' to partake of the fruits of growth.

