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**Finding real relevance**

*Business schools in Pakistan face a number of dilemmas and disconnects, which if left unresolved may make what they teach irrelevant to society, writes Dr Ishrat Husain.*

Business education has become a popular subject for young people entering the tertiary education stage. The glamour of a business executive with his own home, car and vacations at a relatively young age is drawing a large number of students into this field.

Unfortunately, it is the mushroom growth of privately owned business schools, which are only interested in accumulating huge profits, that has been meeting this growing demand. There is a time lag before the reputation of a school is established and a differentiation in the quality of the output becomes ingrained in popular perception.

It only becomes apparent after a while that there are only a few top and middle ranking schools (whose graduates are able to find jobs upon completion of their studies) which can sustain themselves in the long run. Until then, enrolment in low quality schools will continue unabated. For example, in India there are more than 2,000 business schools and the number was increasing for years. It is only because of the recent slowdown in the economy and the stagnation in job opportunities that some of these schools have closed down or have branched into other fields.

The flight to quality takes time and in the meanwhile a country has to face serious social consequences. The pool of unemployed, underemployed and under qualified MBAs rises and the number of business schools in the country keeps expanding. The Higher Education Commission’s (HEC) Rankings and Accreditation are a way out, but the dissemination of this information is inadequate. We will therefore limit the discussion about the quality of education offered to the premier business schools in Pakistan, which run into only half a dozen or so.

The main attributes of a business school should be rigour, relevance and responsibility. But each of these dimensions is not linearly linked and pose serious dilemmas and tradeoffs.

Business education has to be relevant to the key stakeholders; society, business, government. This implies that the quality and content of the instruction imparted must be responsive to the problems faced by the country. At the same time it has to be rigorous academically. As suppliers of talent to businesses, we have to mould students to match the requirements of their potential employers. To maintain academic rigour, the faculty has to aim at carrying out quality research that may not be of immediate value to the business but is critical for knowledge generation and application subsequently.

Student enrolment, and consequently financial sustainability, may suffer if the business school fails to adequately prepare students for the job market and parents believe they are not getting value for their money. Attracting high calibre academics to serve on the faculty may prove difficult if they perceive that the incentives for quality research are not up to the mark and much of their time will be devoted to teaching. Furthermore, accreditation bodies concerned mainly with academic quality will be reluctant to take the school seriously if the research published by faculty in high impact international refereed journals is not adequate. To attract, retain and motivate high calibre faculty members to simply teach relevant courses required by employers becomes a severe constraint.

Academic rigour demands that the education systems be standardised with prescribed curricula, course structures, content, pedagogical tools, assessment and testing methods. On the other hand, the challenges of development call for creativity, problem solving, innovation and structured thinking. How can we equip our students to meet the goals of development while adhering to the dictates of academic conformity?

The other dilemma business schools face is that once their graduates become professional managers they require a holistic and integrated understanding of the business they are running. Yet the business education they receive is fragmented and organised into discipline-oriented silos – economics, finance, marketing, management, etc. – and the outlook they develop is distorted and partial. Students also prefer to choose a certain subset in which they major and faculty members have their own areas of expertise and specialisation in which they are comfortable. But this convenient organisation within the academic institutions is hardly conducive for employers who need managers with a breadth of knowledge in various disciplines in order to be able to resolve problems across an organisation.

In designing solutions for private businesses, business graduates are guided by the principles of individual consumer utility satisfaction and the maximising of the organisation’s profit. However, these solutions may have environmentally disastrous and socially inequitable consequences. Their training given at business schools does not prepare them to come up with outcomes that are environmentally sustainable, socially equitable and economically efficient. This conflict between relevance, i.e. the narrow single-minded focus on profits and the overall responsibility to the people and the planet is a major difficulty that business schools have to resolve.

The ethical values imbibed while they are at business schools – integrity, honesty, truthfulness and merit – also pose a hurdle when these students enter the real world and try to apply these values in actual practice. Businesses in Pakistan, by and large, are used to maintaining multiple books of accounts, habitually evade income and corporate taxes, do not disclose accurate information to their bankers when applying for loans, understate the value of machinery for purposes of import duty, sales tax and stamp duties and then show them at inflated prices when rendering the same as securities and collaterals and indulge in all kinds of malpractices through unfair means. For ethically conscious graduates the future looks bleak and unpromising if they adhere to their value system. They have to make a tough choice, and most succumb to pressures and are forced to join family firms or similar establishments and indulge in these practices; as the saying goes – ‘When in Rome do as the Romans do’. Greed and personal gratification facilitate the choice of this route. The credibility of those schools which insist on safeguarding the value system becomes highly suspect.

In Pakistan, most talented and bright graduates end up in multinational corporations or large listed Pakistani companies. As these companies have well established and functioning systems, procedures and norms, the marginal contribution these talented individuals can make towards higher efficiency or productivity is likely to be negligible. On the other hand, most family owned businesses operate well below their efficiency frontiers because their organisational structure, processes and their utilisation of resources remains subpar. Graduates from top business schools can make a substantive difference to the productivity of such organisations and thus help the economy by applying the knowledge and techniques they have learnt. Unfortunately, these organisations are unable to attract this talent as they are unwilling to pay competitive market salaries or provide opportunities for career progression. This myopic short-sighted approach by the majority of our organisations will keep us at the bottom of the ladder in the international race to ascendancy.

The dilemmas, disconnects and the conflicts outlined above are the challenges that top business schools have to boldly and squarely face, rather than sweep these issues under the carpet. Finding adequate and satisfactory solutions is by no means easy but unless serious thinking is done and attention is focused on these challenges, business education faces the risk of becoming socially without purpose.

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