



Optimizing business education: a strategic response to global challenges

Optimizing
business
education

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Abstract

Purpose – The purpose of this paper is to identify the challenges facing business education in providing students with the knowledge and skills that raise their competency level to meet that required by the market.

Design/methodology/approach – The paper presents a framework for closing the gap between the business education delivered by universities and the current needs of the business community.

Findings – There seems to be a perception that education can fix all the problems. That results in a perceived gap between what is expected from business education and what is actually provided. The rapid spread of globalization and enormous developments in information technology (IT) has led to dramatic changes in the business environment and business education needs to be responsive to these changes.

Practical implications – There is a general consensus that business curricula need improvement given the considerable challenges that face businesses today including dealing with emerging globalization, new economic challenges, rapid IT developments, and the requirements for human capital with multi-facet skills. Business schools that prepare future managers in different disciplines have a responsibility to close the gap between the skills acquired by business graduates and the skills required in global markets.

Originality/value – The paper provides a framework for closing the gap between acquired and required skills and a client-oriented strategic plan for a degree program.

Keywords Business studies, Globalization, Strategic planning

Paper type Conceptual paper

I. Introduction

Emerging globalization, new economic challenges, rapid increase of information technologies (IT), and the requirements of multi-lingual proficiencies are only some of the challenges facing businesses today. These rapid changes mean that graduates are prepared for an environment that has changed. Globalization and the dramatic developments in technology have reduced many of the constraints to information. The question is: are these nations and their national economies ready to face these challenges? Is business education preparing future managers capable enough to cope with these challenges?

Different nations have experienced different levels of success meeting global challenges facing the national educational system. The issue is difficult to manage and is very complex, consisting of different social, economic, cultural, and lingual aspects. In the center of this approximation, there is an educational system, which is providing production and services for the market of a national economy (as a kind of customer) producing and maintaining human resources, particularly the knowledge level of human beings, recognizing the more or less-identifiable need of the market.



The supply of knowledge in any field can increase through an effective education system. Distinguishing between teaching and learning is crucial. Tribus (1999) states that teaching occurs when we show students how to solve a problem; learning occurs when students figure out how to solve their own problems, while Pask (1961) states that “teaching is the control of learning.”

Looking at the recent publications, most of the problems are transparent; however professionals are offering significantly different approximations and methods for business education reforms. Walker and Ainsworth (2001) develop a business-process approach to delivering the core business undergraduate curriculum, consistent with the trend toward process-managed organizations. Porter and McKibbin (1988) report that students in most undergraduate business programs are taught business concepts through functional areas: accounting, management, marketing, and finance; hence, students may be inadequately preparation for cross-functional work. Stover *et al.* (1997) argue for integration of traditional courses in the business curriculum to break down the silos in education in a way parallel to integrative efforts occurring in business. Randall (1999) reports that most business schools are dragging along very slowly in revising their curricula in comparison with the rapid changes in practice. Wheeler (2001) states that many of the challenges facing accounting profession involve personal characteristics of accountants. Therefore, there is a need to restructure accounting education to facilitate these required changes in the nature of accountancy and accountants. He uses the Myers-Briggs indicator to measure accountant personality characteristics.

Total quality management (TQM) is another approach for a continuous improvement for higher education. Chizmar (1994) demonstrates how learning professionals can use the attributes of the industrial TQM model successfully to manage the teaching and learning process. Higgins and Messer (1990) demonstrate the use of statistical process control technique for improving instruction. Bhattacharya *et al.* (1998) investigated the application of TQM concepts to a business school. Brewer *et al.* (2000) investigated the application of strategic planning techniques for continuous improvement in a college of business.

Business education should develop a process of inquiry and a desire for learning in students. To achieve this, business education must change from knowledge-based education to process management. This essential change will enable business education to provide students with the communication, interpersonal, and intellectual skills that prepare them for a better understanding of the broad picture of business in today’s global environment.

Therefore, the four criteria for judging a business education program are:

- (1) knowledge, which allows students to understand;
- (2) know-how, which enables students to put their knowledge to work;
- (3) wisdom, which enables them to decide whether, where, or when to do it; and
- (4) character, which makes them decent human beings, fit to live nearby.

II. Need for changing business education strategy

School, college, and university education is a part of all individuals’ lives and provides them with opportunities to learn and acquire knowledge, skills, and attitudes. What is to be learned and how it is learned, is usually pre-determined based on the curriculum

of a business school. Business school should revise business curriculum to cope with the changes occurring in the global business environment. To understand the need for changes in business education, it is necessary to understand the changes that have been taking place in the business environment. One of the major driving forces for changing the business environment is the rapid increase in the development of technology, especially in IT, whether in the hardware or in the software that facilitates the preparation, dissemination, and communication of data are easy and available, at ones finger tip, at less costs. These developments in technology have decreased, and in many cases, eliminated different constraints to information availability (Albrecht and Sack, 2000).

The second major driver of change is globalization which has made distances and boundaries meaningless. The world has become a giant market place due to the development of faster transportation, communication, and the availability of instantaneous information. With the use of internet, e-commerce, e-auction, e-trade, consumers can buy products from foreign firms as easily as they can from a local store; hence, firms are not only looking for local competitors as well as worldwide competitors.

Not only have these changes completely transformed the business environment, they have also had a dramatic impact on business education. This impact has changed the idea that information is expensive. The second impact is the increase of the level of competition among organizations, since information about most organizations is widely available. Albrecht and Sack (2000) find that as a result of these business environment changes, a number of business developments have occurred, such as the following:

- increased pace of change in the business world;
- shorter product life cycles and shorter competitive advantages;
- requirement for better, quicker, and more decisive actions by management;
- emergence of new companies and new industries;
- emergence of new professional services;
- outsourcing of non-value-added, but necessary, services;
- increased uncertainty and the explicit recognition of risk;
- increased complex business transactions;
- changes in financial reporting and relationships with financial markets and major market players;
- increased regulatory activity; and
- increased focus on customer satisfaction.

III. Business education and global market requirements

With the rapid increase in globalization trends and innovations in IT, the necessity arises for business graduates to survive in the global market environment. Therefore, business graduates have to constantly improve their current skills and acquire new ones. Twenty-first century skills require the acquisition and evaluation of data, the organization and maintenance of files, and the interpretation, communication and use of computerized information. An understanding of social, organizational, and technological systems; monitoring and correcting performance; and designing

or improving systems are the skills that vitalize an evolving workforce. Technology has become unavoidable so that selecting equipment and tools, applying technology to specific tasks, and maintaining and troubleshooting technological devices are necessary skills for an average employee. These significant skills are discussed under the following categories.

1. Analytical and intellectual skills

Analytical ability is a basic skill that a business graduate should possess. This skill includes the ability of a person to ask the right questions in order to collect accurate and complete information, the ability to recognize the importance of information and implications of the information, and the ability to apply logic and reasoning to clarify the relationships between different objects, events, individuals, or methodologies. Therefore, a business graduate should have the ability to collect the right information, analyze the business problems using logical reasoning, and apply the problem-solving methodologies to real world business problems.

Intellectual skills include identifying and anticipating problems, finding acceptable solutions, developing inductive thought processes, and assigning priorities (Simons and Higgins, 1993). With the recent increase in publicized corporate failures, business education must pay greater attention to problem-solving skills, analytic reasoning, and forensic accounting procedures.

2. Multi-disciplinary and inter-disciplinary skills

In addition to the in-depth knowledge in a specialized area, global market trends also require business graduates to have a wider spectrum of knowledge in multidisciplinary areas. Graduates in business should have knowledge in accounting, finance, IT, economics and marketing, among others, if they effectively work in multidisciplinary teams. In order for business graduates to solve diverse and unstructured problems in unfamiliar settings, they must have an understanding of the political forces shaping standard setting, and an understanding of the economical, social, cultural, and psychological forces that affect organizations.

As the team-oriented approach to corporate organizations has gained increased acceptance in recent years, the integration of the various disciplines within the field of business is now more critical than ever. Other fields such as engineering, quality control, and manufacturing technology must be integrated into the total corporate philosophy.

3. Communication skills

Communication skills include listening effectively, presenting, and defending views orally and in writing, and locating and organizing information from both human and electronic sources (Simons and Higgins, 1993).

The ability to effectively communicate both orally and in writing becomes increasingly essential with the globalization of businesses. Therefore, the ability to communicate in common global languages, negotiation skills, working in team environments using new communication technologies (e.g. video conferencing, e-mail, networks, etc.) has become a necessity. These communication skills enable business graduates to understand the psychology of people of different ages and different learning stages, and then furnish grads with the ability to listen and encourage others.

These skills and effects necessitate business graduates to be open minded to new ideas, new technologies, new cultures, and the willingness to change and adapt.

4. Knowledge of global issues

Business graduates should be knowledgeable about international issues such as legal, ethical, and standards or information sources. Also necessary is a knowledge of local and international financial regulations such as import/export regulations, customs fees, and immigration laws. Moreover, business graduates must keep up-to-date about the social, cultural, and political changes in a global environment as this all affects their self-determination and identification capabilities.

5. Computer skills

Development in technology has made familiarity with technology not only beneficial, but also vital to the survival in the new business environment. Employers expect a new employee entering the work force to possess basic technology skills that are required in the work place. Competence in such technology enables employees to be creative in the workplace and also helps them more rapidly adapt to their new work environment.

6. Personal qualities

Personal qualities such as ethical responsibility, individual responsibility, self-motivation, self-esteem, sociability, self-management, and integrity support competency requirements. Interpersonal skills facilitate working on teams, training others, serving customers, leading, negotiating, and working with people from culturally diverse backgrounds. These interpersonal skills also include the ability to organize and delegate tasks, motivate and influence others, understand organizations, and resolve conflicts and ethical dilemmas.

7. Critical thinking

The ability to think critically seems to be the issue that business education needs to concentrate most on. Critical thinking encompasses all the above-mentioned skills. For an effective discharge of these skills, one must use one's critical thinking skills, which include the ability to observe, evaluate complex systems and information, detect, predict, advise, and recommend appropriate action. Reinstein and Bayou (1997) argue that critical thinking is the process enveloping all these activities with an added value and to recommend results effectively to others.

Critical thinking is also the ability to reach justifiable conclusions from questions that cannot be answered definitively or when all relevant information may not be available. Critical thinking is ability to rationally recall, process and apply acquired skills to help identifying and solving problems. Harkins (2003) states that the value of professional people to society is primarily determined by their critical thinking ability. That is to say, their expertise at understanding problems and issues and rendering judgment to resolve situations. Harkins (2003) describes the ability to think critically as using cognitive skills to resolve problems, reach conclusions, form inferences, and make a decision through purposeful, reasoned, logical, and goal-directed process.

Reinstein and Bayou (1997) state that critical thinking includes formulating and identifying deductively- and inductively-warranted conclusions from available evidence, recognizing the structure of arguments, assessing the consistency,

IV. Strategies for bridging the gap between acquired and required market requirements

The rapid changes in the business environment have created a gap between the rapidly growing changes in the market environment and the slow changes in the business education curriculum. Some of the global market requirements have little to do with business education at the university level. For example, acquiring communication skills, computer skills, being a multi-lingual are all inputs to the university stage. Hence, any deficiency in these skills should be strategic issues for the pre-university school system. The higher the quality of the graduates from the high school the higher the quality input to the university level. At the university level, analytical, critical thinking, analysis of financial information can be acquired. Business educators must understand what type of services their university graduates will perform in the future (Figure 1).

To close the gap between the acquired and required skills, several market-driven strategies must be applied to the curriculum, pedagogy, skill development, use of technology, faculty development, and the use of strategic planning to the business program.

1. Curriculum development strategy

The curriculum for undergraduate programs should not include courses taught as a series of technical rules and should not focus on professional examination. Instead, the curriculum should expose students to broader businesses practices by using real-word examples and emphasizing global perspectives. Educators need to teach

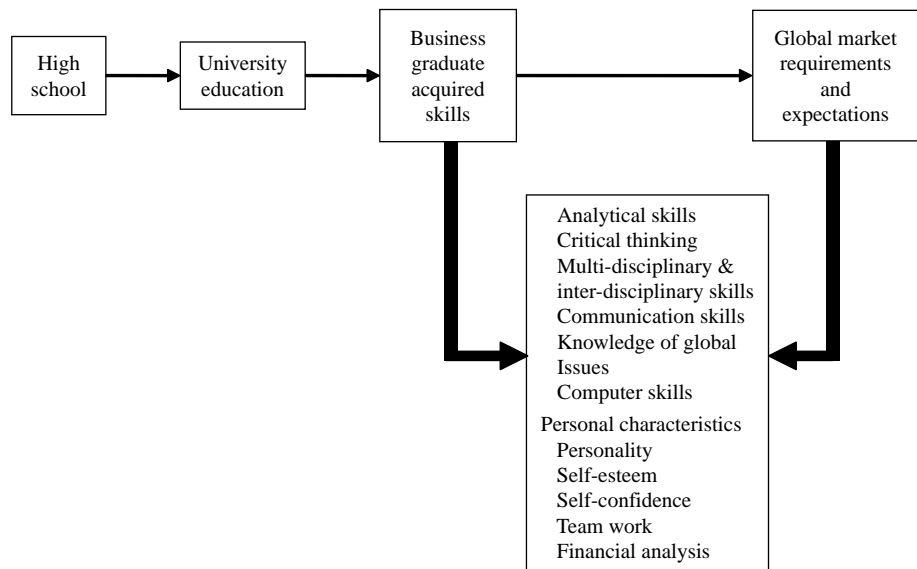


Figure 1.
Closing the gap between
acquired and required
skills

more of what business graduates should do in the future, such as analysis, not just recording data. Educators should also emphasize the current use of technology and how it alters the work of business graduates. The curriculum should include courses in values, ethics, and integrity.

Developing a curriculum map that focuses on a target audience is a considerable challenge. The curriculum should provide a systematic and well-organized framework in which to manage effective delivery of knowledge by avoiding gaps and overlaps in the courses. The following strategies are useful and practical for a business education curriculum development:

- Business school curricula should be flexible enough to provide major and minor programs, with the major program providing a focused in-depth training in a specialized area, and the minor providing a training in multi-disciplinary areas. The flexibility and granulation of the modules is of central importance.
- Updating the curriculum to keep pace with the advancements is imperative due to the rapid change in technology. One effective strategy is developing a change-driven curriculum where its design and learning paths are periodically reviewed depending on the market needs (yearly reviews prove efficient).
- Elective courses should be directed towards international business issues.
- The curriculum should emphasize case studies to simulate real life problems and also develop skills and approaches to solve business problems.
- Internship programs should not be treated as mere training programs but as opportunities to contribute towards businesses by working on the real problems facing businesses.
- The business community should have a representation in the curriculum design committees and course delivery in order to enhance the client-focus of business education.
- The curriculum should include courses in negotiation skills, conflict management and crisis resolution.

2. Pedagogy strategy

Instructors should adapt a creative learning process that does not depend on memorization and extensive use of textbooks. This creativity should be based on team work and should assign students actual case studies of real companies, as well as oral presentations and team teaching. The quality of business education depends on a process that prepares business graduates to meet changing practitioners' demands. Prior research reveals the use of real-life business press articles provides great benefits in developing required skills.

Business educational needs make it necessary to be prepared for different styles of knowledge delivery, such as:

- group vs individual learning;
- computer and/or multimedia-based learning; and
- directive vs non-directive delivery.

4. Staffing strategies

The quality, expertise, and professionalism of the faculty and support staff are crucial factors in establishing the quality and effectiveness of a business institution. The faculty must be capable of designing and delivering course subjects, which reflects the real conditions in a business environment. Determining and recruiting the standard staff is relatively straightforward, but, unfortunately, making personal decisions based on short or long-term predictions is more challenging. The most efficient strategy for staffing is the creation of a flexible organization consisting of professionals who are able to follow future trends, have fast and flexible recruitment, and maintain close relationships to research and industry in order to gain immediate and direct impressions about future patterns. To enhance the client-oriented focus, a constructive staffing strategy for a business school is to:

- encourage the faculty and business community to work in teams in curriculum design;
- draw the faculty from businesses or industry in order to provide full-time or part-time instructional help;
- encourage the current faculty to work on industrial assignments during sabbaticals or educational leaves so in order to update their skills on current business trends; and
- promote applied research.

5. Business education positioning strategies

The main idea under business education positioning strategy should be identifying major potential areas where the graduates are going to work so that business schools can position their business education in such a way as to impart relevant skills:

- *Industry.* Whether the graduates will to serve industries such as consumer products, petroleum, electronics, and aerospace.
- *Sector.* Whether the graduates will work in manufacturing or service sector.
- *Functional.* Whether the graduates will work in areas that are identified on the functions performed, such as production, materials, quality assurance, project management, and maintenance.
- *Hierarchical.* Whether the graduates will to work as professionals, supervisors, middle management, or top management.

Usually, the larger the variations in skills required, the larger the variation in the electives offered to fewer graduates. Therefore, business education can position itself to offer more core and major skills to greater numbers of students (Figure 3).

6. Business education delivery strategies

Facility strategies. Although good education facilities may not guarantee output from the educational system, poor facilities certainly affect the quality of educational output. The main question here is how to provide efficient knowledge delivery in a particular educational institution. How well universities design and equip their business education facilities sends a clear message to the market that would employ graduates regarding

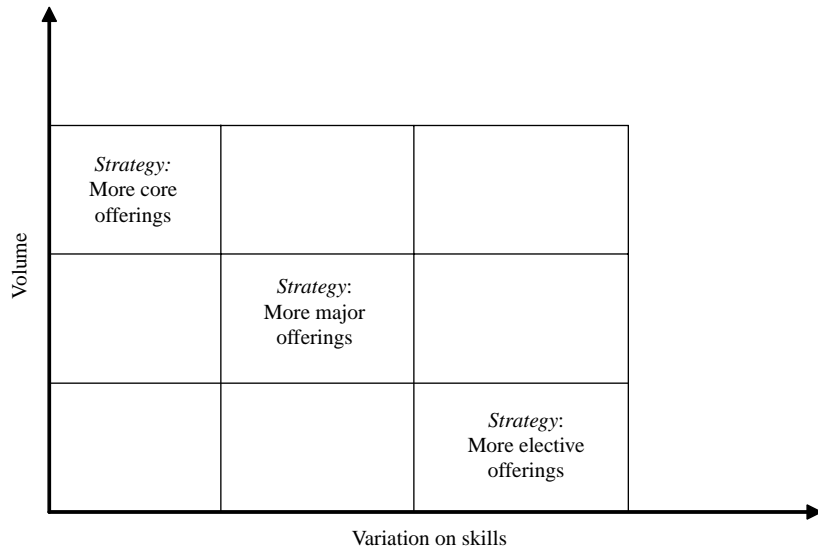


Figure 3.
Business education
positioning strategies

the quality of the program output. Business schools must recognize the human needs of both learners and knowledge providers when setting and designing their facilities.

Location strategies. Centralized education at a university campus. Benefits of centralized education include opportunities for graduates to work with students from diverse backgrounds, cultures and values; efficient use of instructors and training facilities; efficient use of high cost laboratories and simulation equipments; and a better control over education quality. Disadvantages include the high costs of students' travel, the difficulty in adapting to local geographical needs, and the inadequate capacity problems to handle student volumes.

Decentralized education through regional or branch campuses. Benefits of decentralized education include lower costs of travel, adaptation to local differences and a manageable size. Disadvantages include less quality control over education, underutilization of instructional resources, facilities and capital intensive labs, not interacting with peers from different backgrounds and, hence, less tolerance of other cultures, values, and backgrounds.

Using time-independent distributed educational resources. Internet and networked technology is beneficial thought providing a technical background for time and location independent knowledge delivery. Unfortunately, internet technology is not suitable for the delivery of all subjects. As the internet cannot completely replace human beings in knowledge delivery, direct personal contact is still necessary. The flexibility of these delivery strategies is remarkable because they help develop curriculum in a standardized way using international co-operation and customize automatic knowledge delivery.

V. Learning approaches

In order to implement the aforementioned strategies effectively, business schools need to implement the following learning approaches.

1. Client-oriented learning approach

Based on the above skills, a strategic view for meeting the market requirements should be the focus of decision making. The principle of client-oriented education should drive these strategies.

In the absence of a client-oriented focus, a frustrating experience may result for both learners and knowledge providers because neither can see any relevance between what is being taught and what the job market requires. If students cannot relate their specialized major to their daily lives or actual work environment, students acquire knowledge only to pass examinations. Therefore, students tend immediately to forget information afterwards. This detrimental tendency hinders students' internal learning power. Once these graduates enter the workforce, they find it difficult to apply what they have learned at universities because they then have to rediscover their creative spirit which their mechanical study practices suppressed. As stated previously, one way to deal with this problem is to design creative strategies that are relevant to the work environment in which students work. This plan calls for universities to revisit their business education programs from a client-oriented perspective.

2. Surface approach vs deep learning approach

The learning process is as essential as the contents of the curriculum; thus, it is vital that program designers strive to provide quality learning process that ensures effective delivery of business programs. Marton and Saljo (1976) argue that students use either deep or surface in learning. Under the common surface approach, students acquire the course materials as disjointed facts they must memorize for regurgitation at exam time. Under the deep approach, however, students strive to comprehend the concepts and ideas in order to form frameworks for each subject area. Hassall and Joyce (2001) summarize characteristics of both approaches:

(1) Surface approach characteristics:

- satisfied with merely reproducing parts of the subject;
- passive acceptance of ideas and information;
- assessment requirements drive and define the desire for subject knowledge;
- no learning plan or strategy;
- routinely memorizing facts and procedures; and
- failure to recognize fundamental and guiding principles and patterns.

(2) deep approach characteristics:

- a desire to understand the subject;
- vigorous and critical interaction with the subject;
- relating the subject to prior knowledge and experiences;
- integrating ideas by using organizing principles;
- relating evidence to conclusions; and
- examining the logic of the conclusions.

VI. Conclusion

Globalization and advancements in IT have placed the role played by business education in enhancing the knowledge base of a country under a sharper focus. To cope with the new challenges posed by these emerging technologies, business schools must look at business education from a client-oriented perspective applying a deep learning approach and taking a strategic view to better align business education with the requirements of the global markets. This paper identifies some skill sets required under a global market environment, identifies the need to have a client-oriented focus to business education systems and presents some curriculum design, delivery, and positioning strategies for business education.

This paper also provides a generalized view of the focus, strategies and procedures that are essential for reforming business education. While these strategies provide an essential foundation for business programs, specific requirements differ from country to country and from one educational environment to another. Therefore, business program should modify or fine-tune the suggestions herein to meet their individual needs. Additional research is required to further specify required education strategies. Such studies may empirically observe the efficacy of strategies this paper discusses.

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