

CO-CREATION OF KNOWLEDGE BETWEEN BUSINESS SCHOOLS, BUSINESS FIRMS, AND LEARNERS

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Abstract Business education is witnessing a well-guarded scrutiny from all the stakeholders. The B-schools are regularly criticised for their irrelevance to the real world business practices. There is no tapering the gap found between academia and business. There is not much fundamental change in bridging this gap. Umpteen models are developed to enhance the effectiveness of business education; very few B-schools really have reached the milestone. Markets are changing faster than marketing. Business strategies taught in the classroom no longer comply with the boardrooms in the realistic corporate world. In this dynamic world of business knowledge, and to apply its wisdom in real time world, there is a requirement for proactive co-creation of knowledge between the business schools, business firms, as well as the student participants as learners. Learn, unlearn, and relearn is the order of the day, and how engaging is the business programme, translating the knowledge into skill-oriented or application-oriented activities, in sync with the real time business world, is the need of the hour. The paper is conceptual, exploring a rich literature review of scholarly research papers. The research is secondary research that scrutinises and analyses different literature, and based on the information acquired from the literature this paper makes a humble attempt to examine knowledge co-creation, in the form of indispensable knowledge, that is interfaced between the B-schools, business firms, and the learners. The paper deals with the inter-dependencies of the 3 components eliciting knowledge transformation.

Keywords: B-School Education, Co-Creation of Knowledge and Value, Collaboration of B-Schools and Business Firms

INTRODUCTION

As Drucker (1997) rightly said, “the productivity of knowledge is increasingly going to be the determining factor in the competitive position of a company, an industry, a country”. This paper delves on knowledge and value creation; knowledge is a whole set of intuition, reasoning, insights, and experiences related to markets, customers, products, processes, competition, and so on, that enables effective action (Bernard, 2008). Knowledge is connected and it is collective wisdom that exists in experiences and perspectives (Bernard, 2008). There has been a rapid growth of B-schools in the last decade, without any remarkable distinct value propositions in alignment with the industry needs. Value in business markets is the worth, in monetary terms, of the technical, economic, service, and social benefits a customer receives in exchange for the price they pay for a market offering (Anderson et al., Value Merchants). Without any distinctive value propositions of many business schools, there is an increase in the homogeneity among most of the business schools (Bradshaw, 1997).

As per the report of the ASSOCHAM, India has 5,500 B-schools currently operational. Only 7% of the MBA graduates are actually employable, and this 7% graduate from the top 20 B-schools (Economic Times, Apr. 27, 2016). Barring a few handful of B-schools, most B-schools are producing substandard graduates, who are unemployable.

There is a synergetic relationship and interdependency between the 3 components – business schools, business firms, and learners. The biggest challenge in adding value to the B-schools and learners about the real time business world is the rapid changes and uncertainty of Industry 4.0. Permeating real-time industry scenarios in the pedagogy requires a seamless inter-linkage/collaboration between the industry and the academia. Scholars and industry practitioners have been on a constant critique about the freshly minted B-school graduates and the value that they bring to the industry.

Instead of how to add up books for learning, the emphasis is on finding solutions to real-time business problems. Integration of B-schools and B-firms should be on the radar

and solutions to the diverse nature of business problems should be discovered. Fundamentally, the traditional education system has not changed much (Welsh & Dehler, 2007). The less prestigious schools are struggling for their existence. Deep and insightful changes in the structure of B-schools and the learning systems can happen only with a radical change at the leadership level of the B-schools. Doubt and uncertainty has increased the homogeneity among the B-schools, to differentiate between each (Bradshaw, 1997).

The objective of the paper is to apprehend how to drive value in the form of knowledge and impart requisite skills by seamlessly and continually integrating the B-schools, business firms, and the learners. Further, the paper aims at exploring the challenges faced by the B-schools, which need to be addressed at each level of the tri-component model, integrating the B-schools, business firms, and the learners, by scientifically analysing the literature.

METHODOLOGY

The paper is a conceptual study, with exhaustive literature review and analysis of scholarly research papers on the co-creation of knowledge between the various stakeholders – business schools, business firms, and learners. Extensive literature study was done on the evolution of B-schools, important weightages in the global accreditation process, success models of B-schools, the SECI model of knowledge conversion, and developing a conceptual model of knowledge transformation using the SECI model and the tri-components. This paper has not considered the quality of student selection process, student quality, faculty talent pool, and faculty research in knowledge creation. The paper is conceptual and needs to be explored empirically.

LITERATURE REVIEW

Evolution of B-Schools

Global: The history of business schools is almost 2 centuries old. The first university's College of Commerce was started in the early 1800s by the University of California in the San Francisco Bay area, with the support of merchants; it is now called the Haas School of Business. The University of California president Benjamin Ide Wheeler was of the view that the modern university has to do with all that concerns life and the interests of life. The daughter of industrialist James C. Flood, Cora Jane Flood, donated land and securities to the University of California worth USD 460,000. These funds were used to endow its College of Commerce in 1898.

The first graduate programme in business was opened by the Tuck School of Business at Dartmouth in 1900, by offering M.Sc. in Commerce. The Association to Advance

Collegiate Schools of Business (AACSB) was founded in 1916; it recognised BGS as the only honorary business society in 1919, after which there was a significant role for the AACSB-accredited schools. Harold Johnson was the first graduate who was awarded the first MBA diploma in history by the Harvard Business School in 1910. The Harvard Business School is one of the top business schools in the United States, and was founded in Boston, Massachusetts, in the year 1908. This business school was described by the university as a delicate experiment.

In 1914, the New Orleans Association of Commerce partnered with Tulane University to establish a school with the motive that the school could provide necessary skills to the business community to leverage new opportunities in international business. It was the time when Tulane's College of Commerce and Business Administration was founded, and it included courses in international trade and commercial Spanish.

These are few examples of business schools which started the business education in the world. To name a few top business schools in the world: Harvard Business School, Stanford University, Columbia University, IE Business School, University of Chicago, HEC Paris, INSEAD, MIT Sloan, London Business School, and University of Pennsylvania. Now, there are more than 13,000 business schools in the world.

India: India is one of the best pools for talent across the world, as India has a large English-speaking population. It has been more than 100 years since Indian management education was founded. Many top Indian industrialists have graduated from prestigious institutions like IIMs and XLRI. The management education was liberalised by the Government of India in the 1990s. Many institutions were incepted for management and technical education, such as IIMs, IITs, FMS, IIFT, and so on. The first business school, named the Commercial School of Pachaiyappas Charities, was set up in 1886 in Madras (now called Chennai); however, it was based on British ideologies. India's first management programme was started by the Indian Institute of Social Sciences in the year 1948. The XLRI was founded in 1948 and then the Indian Institute of Management, Calcutta (IIMC). Currently, there are 20 IIMs and many more prestigious business schools in the country. There are more than 3,000 business schools in India.

Important Weightages in Global Accreditation Process

All business schools try to be global in various aspects, such as student intake, quality of education, placements, and international rankings. These business schools also look for international accreditation.

During the process of accreditation, various aspects are evaluated and validated for institutions that apply for accreditation. All the standards are set by the accreditation body. The international accreditations are a costly affair, as well as a time-consuming process. These accreditations attract more global students, faculty, and recruiters. International accreditations also provide the institute with the advantage of international recognition, status, and exposure. During the process of accreditation many parameters are assessed and verified, including rigour in admission process, learning expectations and assurance, faculty quality, course curriculum, infrastructure, international collaborations, ethics, diversity, innovation, placements, and many more. There are a few major accrediting organisations: Accreditation Council for Business Schools and Programs (ACBSP), Association to Advance Collegiate Schools of Business International (AACSB), International Assembly for Collegiate Business Education (IACBE), The Association of MBAs (AMBA), and The European Quality Improvement System (EQUIS).

These accreditation are reviewed periodically and can be withdrawn if the required criteria or standards are not maintained by the business schools. Accreditation by the international organisations cited above are a feather in the institution's cap. It shows quality education, knowledge, and value creation by the business school.

A few of the key components that are widely common among the top global accreditation agencies, and which have the appropriate different weightages, are student selection, student diversity, student experience, and so on; B-school leadership; B-school pedagogy in the new paradigm; faculty member experience and diversity; imparting skills to be placement-ready; industry affiliations/integration/collaboration/MoUs; and so on.

Success Models for Business Schools: The success of a business model should have four key elements: an accepted body of knowledge; a system for certifying that individuals have mastered that body of knowledge before they are allowed to practice; a commitment to the public good; and an enforceable code of ethics (Khurana, 2005). While accessing the knowledge creation in business school, evaluators should ask a few questions: Is the knowledge important? Is it useful? Is it interesting or original? Is it well thought-out, well argued, and well designed? If these questions are answered, then there is knowledge and value creation for a successful business model. There are a few models which contribute to knowledge and value creation.

The Professional Model: The faculty members of the business school should balance their goals, as is balanced by different professional schools of medicine, dentistry, and law of guidance. These schools make professionals ready for practice. In a similar way, business schools may add on

with professional training while using the scientific model of knowledge creation. A few top-tier business schools like the Harvard Business School emphasise on case studies and practitioners are an integral part of the education process. Even many second-tier business schools focus on professional training.

Lorange Network Model: This business model is an innovative model and was founded by The Lorange Institute of Business, Zurich. It is a network-based model and adopted a revised curriculum based on strong modularisation. These revised modules are taught during weekends, so that executives may continue work. Many modules are offered jointly for masters' students and executives. The leading practitioners with unique backgrounds and experts are the faculty members for specialised topics (Lorange, 2013).

The SECI Model and Knowledge Conversion: The SECI model is the basis of organisational learning and knowledge management literature (Cook & Brown, 1999). The foundation of knowledge creation and transfer theory was introduced by Nonaka and Takeuchi in the SECI model (Nonaka & Takeuchi, 1996). They found that knowledge can be shared and created in four ways: socialisation, externalisation, combination, and internalisation.

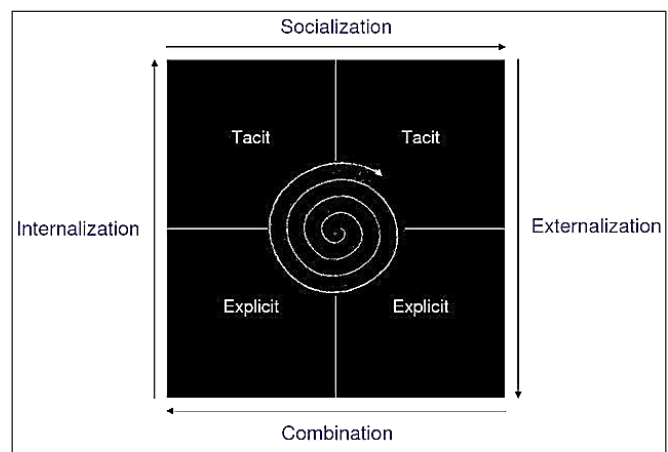


Fig. 1: The SECI Model (Nonaka & Takeuchi, 1995)

Firstly, the combination of tacit-to-tacit is socialisation, where knowledge is passed on through practice, guidance, imitation, and observation. Secondly, tacit-to-explicit is the way of externalisation and it is a difficult and often particularly important conversion mechanism. Thirdly, the way to explicit-to-explicit is combination. This is the simplest form and it codifies knowledge sources, which are combined to create new knowledge. Finally, explicit-to-tacit is the way of internalisation; here explicit sources are utilised and learned, and the knowledge is then internalised. It modifies the user's existing tacit knowledge.

This entire way of knowledge creation is the SECI model of knowledge creation spiral. According to this model, users practice, collaborate, interact, and learn. This entire process

is to be a continuous, dynamic, swirl of knowledge, rather than a static model. The process of the SECI model is shown in Fig. 1.

As this model seems to be good for knowledge creation, the practical applicability was investigated, where results were mixed. However, the applicability of this model was investigated in the current scenario and the model has been linked strongly to culture, both organisational and national (Andreeva & Ikhilchik, 2011).

DISCUSSION

Collaboration between B-Schools and Business Firms

Collaboration between business schools and business existed as early as 1881, when the Wharton School introduced industry practitioners to teach B-school courses (Cheit, 1985). The focus was on practitioners participating in academia and academia participating in activities of business. Further, it has seen academicians serving on the business boards and practitioners serving on the academic boards, faculty members serving as consultants, and trainers and researchers and students pursuing their internships. On a broader scale, this has not bridged the gap between the B-schools, business firms, and students.

However, this is where leaders need to reflect on their pedagogy, considering the drivers of change such as globalisation, disruptive technologies, and changing demographics (Friga et al., 2003). Transformative learning can happen only when real-time industry practices are in sync with pedagogy. To provide a few examples: The Singapore Management University conducts a Master's of Tri-Sector Collaboration that brings together mid-career students from business, government, and civil society organisations. Another example is of the London Business School's collaboration with industry in its Future Work of Consortium, which includes 40 members from companies around the world. Through workshops, the consortium identifies the issues that are of concern to the industry and explores them (Re-imagining Business Education).

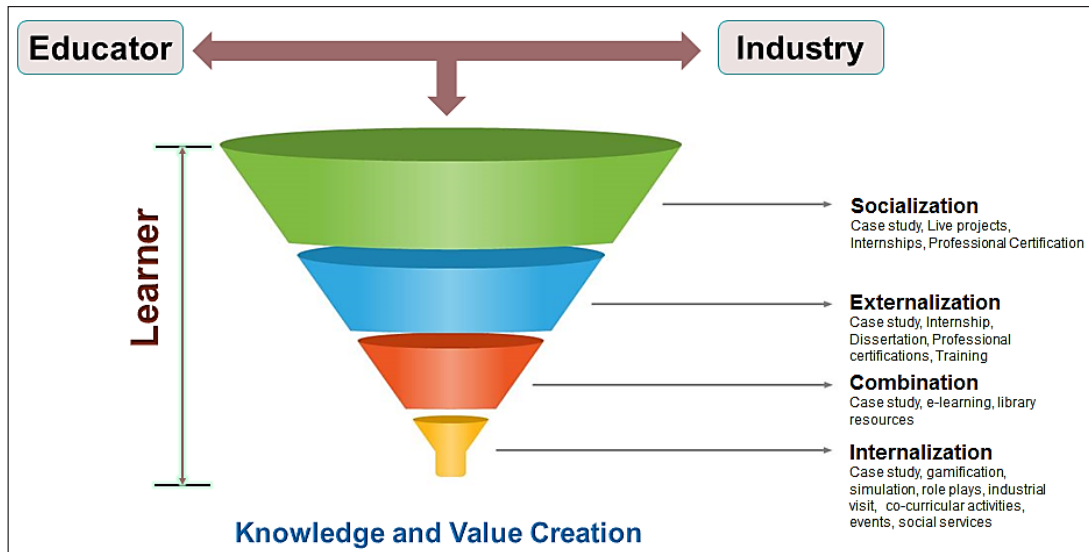
Partnering: Student, Professor, and Business Firm

This model of student-professor-B-Firm as junior and senior partners, and B-school as a B-firm was discussed at the Academy of Management 2001, Annual Meeting. Business schools and faculty members have been explicitly

candid about not treating their students as customers; perhaps students are the end products for campus placements. This partnership model has some contingencies, like the fact that this model depends on the educational level or maturity of the participant students and the size of the class (Ferris, 2002).

Partnering: Manager-Educator Relationship

Sharon et al. (2017) discussed in their paper the role of executive professor, and opined that it is a tight rope walk between the academic side of business schools and the practitioner side of industry. A lot of criticisms are faced by the B-schools for being more academic in their nature of education. To define better value in their business education, business schools are hiring business practitioners so that there is better integration of real-world experience. In most of the literature, managers have been depicted as grappling with the complexities of business, both at the functional and technical level. Further, literature suggests that the practitioners acquire good social and moral skills. Cunliffe (2001) conceptualised that managers should act as practical authors of organisational realities through their conversations. Watson (1996) pointed out that managers not only have to control their own well-being and their lives, they also need to control work efforts, thoughts, and activities of other people, viz. employees, customers, colleagues, and bosses. Hence, the manager runs through an immense grind and challenge. Reed and Anthony (1992) have pointed out that the educators have retreated to a narrow community of vocationalism, where the emphasis is on functional and technical skills, lacking social, moral, political, and ideological ingredients requisite for managerial work. In contrast, Bin et al. (2007), through their empirical study, found that companies with former B-school professors as executives generated significantly greater revenues per employee, compared to non-former professors as executives. The good performance signified the co-relationship between academic expertise and functional business area. It was also observed in their study that the performance of the executives from top ranked B-schools was the same as the executives who were professors at non-ranked business schools. Thomas and Antony (1996) observed that educators need to pursue their research more effectively on the environment in which the managers practice their art. The partnering between the manager and the educator needs to have a trade-off between the real-world experience sharing by the practitioner, and moral, ethical, and ideological ingredients from the educators. The relationship needs to be nurtured continually to minimise the gap between the industry and the academia.



*Based on SECI Model of Knowledge Conversion.

Fig. 2: Educator, Industry, and Learner (EIL) Model

Table 1: Bridging Together Educators, Industry, and Learners

Knowledge Transformation		Tacit-to-Tacit	Tacit-to-Explicit	Explicit-to-Explicit	Explicit-to-Tacit
		Socialisation Practice-Guidance-Imitation-Observation	Externalisation Articulating-Dialogue & Reflection Translating	Combination Codified knowledge– Combined to form new knowledge. Gathering, integrating, transferring, diffusing, & editing knowledge	Internalisation Explicit sources-Learning & acquiring new tacit in practice Embodying ex- plicit into action & practice Using simulations & experiments. Modifying existing tacit knowledge
Educator-to-Learner	Case study/White papers	✓	✓	✓	✓
	Gamification				✓
	Simulation				✓
	Role Plays				✓
	Live Projects	✓			
Industry-to-Learner	Internship	✓	✓		
	Dissertation		✓		
	Professional Certifications (SAP, SAS, SCM, and so on)	✓	✓		
	Industry Visit				✓
Industry-to-Educator	Professional Training & Workshops (SAP, SAS, SCM, and so on)		✓		
Others	ICT	✓			
	E-Learning			✓	
	Library Resources			✓	
	Co-curricular Activity				✓
	Events				✓
	Social Services				✓

*Based on SECI Model of Knowledge Conversion.

FINDINGS

It is a well-known fact that too many B-schools, with not much of value proposition, grappling with incremental modifications have entered/are entering into a commoditisation trap. Many of the tri-components at B-schools are working in silos; there is a need to judiciously sync these persistently.

Bridging the gap between academics and the industry, with the academicians serving on the business boards and practitioners serving on the academic boards, and faculty members serving as consultants, and trainers and researchers and students pursuing their internships, brings value to the B-school and learners' learning. The right harnessing of tacit and the explicit forms of knowledge at various levels through socialisation, externalisation, combination, and internalisation is imminent in transforming knowledge to enhanced learning (Cheit, 1985).

The challenge in bridging the gap and the success depends firstly on how academicians design their pedagogy that reflects a robust mix of theory, practice, and values for the learners in the classroom; secondly, how effectively the industry conceptualises and articulates the real-world practices into the classrooms, which prepares the learners to become industry-ready.

CONCLUSION

The paper focused on the 3 components of interdependency in the holistic learning of business education, blending the right mix of explicit and tacit knowledge for a deeper learning and transformation. There is a significant gap in the creation of knowledge between the 3 components: the B-schools, business firms, and the learners. It is imperative to seamlessly blend the requisite applied knowledge from industry practices to permeate into the academic pedagogy, to bridge the gap. Furthermore, business firms should not be shy to collaborate with B-schools to minimise the gap in the learning process.

Hence, Learners and the Learning in the Business Schools necessitate a robust collaboration with Business Firms and it is inevitable requirement for the Industry, as well, to get the best talent pool to drive their business functions to next level.

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