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Business-Education Partnerships as Basis for Effective Socioeconomic Development: Lessons for Kazakhstan

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Abstract

The author identifies the challenges faced by Kazakhstani universities and business environment during socioeconomic transformation. The research provides a general overview of the “gaps” between Educational sector and Business sphere in Kazakhstan. Moreover, it reveals the graduate skills differences in Kazakhstan and determine the extent to which the quality of graduates fails to meet the expectation of employers.

The main goal of the article is to distinguish the main invocations and opportunities for effective cooperation in the development of Business – Education partnership in Kazakhstan, to evaluate the skills acquired by MBA graduates and to assess the impact made by a business education on socioeconomic development of the state.

The selected methodology for this study is a combination of desk research, primary research (through quantitative and qualitative techniques and methods of data collection) that aim to enable triangulation of findings and thus to provide more reliable data for a better understanding of business-education cooperation outcomes.

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1. Introduction

Currently Kazakhstan is an essential regional power in Central Asia on the assumption of its geographic location, big territory, significant natural resources, moderate economic growth and socioeconomic development. However, it faces a lot of challenges in both economic and social spheres (for instance – about 20% of the population lives in poverty).

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In 1997 a strategy for comprehensive transformation until 2030 was initiated by President Nazarbayev. And one of the priority spheres in the respective strategy was education. Such a decision was based on international experience which shows that the chances to conduct ambitious transformation, reduce poverty, stimulate the economic growth also demand more effective human resources, human and social capital, including public and private cooperation on different levels.

It is necessary to underline the fact that in recent years a number of important initiatives were introduced, among which one of the major - integration of vocational skills development in the Education for All (EFA) national plans of actions. Special emphasis was given to the cooperation between educational institutions and business.

According to global practices, developed countries have significantly improved the general level of socio-economic development, especially in the human capital sphere due both to increasing expenditures on research and education and demands for greater efficiency and effectiveness of the education system.

2. Purpose

The main purpose of this article is to analyze the current situation in Kazakhstan's business education and to examine effective models of cooperation between academic institution and business.

Furthermore, the research provides a general overview of the communication gaps between academic institutions and business environment in Kazakhstan. It reveals the graduate skills problem in Kazakhstan and discloses the extent to which the quality of graduates fails to meet the expectation of employers.

The paperwork is also partly based on the analysis of Kazakhstani companies' job descriptions, Kazakhstani business students' and graduates' resumes, and business course syllabi for Bachelors programs at three Kazakhstani Business schools.

3. Literature review

Issues concerning effective cooperation between academic institution and business sector are not new. However, during the last twenty years, debates about such problems as the failure of academics to prepare graduates who meet industry needs, have intensified rapidly, for example (Fred R. David, Forest R. David, 2010). Moreover, we need to highlight Bennis and O'Toole's works (2005) which indicate that business schools prefer to be rated by their scientific research rather than by the competence of their graduates. Also, T. Ferguson (2008) noted that 40% of employers are unsatisfied with graduates' business, non technical and interpersonal skills. Guide and Wassenhove (2007) stated the obligation of business schools to address current industry problems and issues in academic research and contribute to targeted audiences. Fred R. David, Forest R. David (2010) offered fourteen changes, seeking balance between theoretical research and applied business, which include revisions of many items from philosophy to curricula, offering a license-based approach. Sergey Filin, (Filin, 2012) from Kazakhstan suggested policy makers to decrease the quantity of high education institutions, and change the curricula of universities in order to be based on business practice and not on state standards.

However, despite a significant number of publications in this sphere, we need to mention that situation of cooperation between academic institution and business sector in Kazakhstan practically was not described.

There are many reasons why partnership between Academia and Business in Kazakhstan hasn't been fruitful yet.

3. Method

In this research a questionnaires were used as data collection instruments. These questionnaires were prepared by the author and were checked by the International Academy of Business (Kazakhstan). The target group of the questionnaires was composed of 65 professors of management disciplines (from leading Kazakh business

schools) and 65 employers (mostly top-managers) from the companies which are listed by the Chamber of Commerce in Kazakhstan.

4. Findings

25 out of 65 Business schools' professors don't feel a substantial difference between Business education and Higher Education. 25 professors believe that if they received a state diploma, unified approaches should be applied either for physics, linguistics, or business. The other 40 professors are assured that Business Education has to have a unique approach, as the objectives of students majoring in physics are different from the objectives of students majoring in management. The main differences mentioned by the 40 Kazakh Business schools' professors were that management is an applied, not a fundamental science, and the objectives for management are to learn how to make decisions and develop managerial skills, not to obtain deep professional knowledge. As a result, the ideal teachers for Business education are managers and business consultants, whose formal degrees can't be the single criteria, because Business trainers teach from their practical experience, not common wisdom, and in the Business classroom students mostly speak, not teachers.

Also, the author has examined current expectations and assumptions among professors and employers.

In the research the author employed four main groups of skills and competences: management skills, technical skills, personal skills and communication skills. Management competences are the following: disciplinary expertise, planning, organizing, leadership, problem solving, decision management, project management, ethics and responsibility. Technical competences: computer literacy, analytical skills and operating in organizational environment. Communication competences are three languages (English, Kazakh and Russian) proficiency, oratory skills, presentation skills, team work, whereas personal competences are business acumen, reliability, autonomy, critical thinking, initiative, adaptability, emotional intelligence, political skill, stress tolerance, attention to detail and creativity (Jackson, 2009). A factor analysis was conducted with these twenty six competences to identify the most important factors separately for both Teachers and Employers. The importance was calculated as indicated in Table 1.

Table 1. The example of calculation and comparing the competences' importance for employers and teachers (according to the author research)

	Irrelevant (-2)	Not important (-1)	Average (0)	Important (+1)	Extremely important (+2)	Mean
Critical thinking employers	2.0	16.7	44.1	31.4	5.9	0.23
Critical thinking teachers	0	9.8	35.3	35.3	19.6	0.65

The competences, which are considered to be most important by teachers, were disciplinary competence (82%) followed by ethics and responsibility (60%). The most necessary technical competence was computer literacy, whereas communication competence was mostly presented by three languages proficiency (80%). The most necessary personal traits were critical thinking (65%), and creativity (50%).

Besides, 75% of representatives of the business sector believe that they have to accomplish Business schools' work. Moreover a quarter of them mentioned that there are two types of companies in Kazakhstan. The first type

mostly constituted of the state companies, which accept graduates without work experience and pay a very modest salary. Former graduates do manual work and don't have much opportunity to apply the qualifications they should have had after graduation, but graduates get formal work experience and improve their communication skills, computer skills, interpersonal skills, and listening skills. In order to be employed by the second type of companies, graduates need to be proficient, or ideally, licensed or certified in something – some specific business areas within their major; or they have to be up to 25 years old with 8 years of work experience. Amidst the two companies' types mentioned above lies the third one. Many graduates work in their family's business or businesses where their relatives occupy senior positions and where they quickly forget about business processes as they are drawn into business practice.

45% of employers blame universities to be a breeding ground for unethical executives whereas the rest of them place responsibility on the government, society and business. The concern of social responsibility was raised by Schmidt (2008), who claimed that the current economic and financial issues influence business schools which in their turn are to blame for not preparing ethically conscious graduates.

According to 25% of business representatives, Business education can't provide efficient and effective training, can't meet the labour market demand of professional managers in the era of a "knowledge" economy, the speed of syllabi and course transformation is intolerably slow, and they believe that the low quality of business education has resulted in a student's attitude towards learning: if the university can't provide effective training for me, I will try to get my diploma, just as a formality, having allocated minimum efforts and resources.

Individual employers made a suggestion that university professors must have 28 days of obligatory Business internship and 28 days of vacation every year, as Kazakhstani professors have a 56 days paid vacation during summer, while the majority of employees in Business have maximum 28 day long vacation.

46% of employers also asserted that generally Business schools' graduates are too ambitious, but not hardworking enough. 3 respondents said that they are brought up on "Fairy Tales of the American Dream" and aren't able to realistically estimate their abilities and do routine work.

The attitude towards business universities' research is generally negative (64%). Half of employers believe that professors research theoretical concepts and they have never seen a university professor doing research at a company. 75% complained that the topics are irrelevant and they will never be commercialized, since professors select the topic without an interest towards its' necessity or real world application.

Among the managerial skills, mentioned to be very important by more than 75% of employers, the first one is disciplinary expertise, followed by decision management, and project management skills. In the group of technical expertise 89% mentioned computer literacy followed by operating in organizational environment. 100% of respondents mentioned three languages competence to be very important. As for personal characteristics, the leading position (62%) is occupied by reliability and to pay attention to details. Nobody mentioned political skills and critical thinking among important competences.

5. Conclusion and Recommendations

Learning outcomes in the educational sphere are defined as what the student is expected to know, understand and be able to do (Hanlon, M., Blackbourn, L., Shtayer, N., 2008), but there is a gap between what is being taught at the Business schools and what is needed by companies in Kazakhstan. Business schools bring up ambitious and creative leaders, while business require hardworking reliable team workers. Kazakhstani Business schools' graduates don't have enough practical skills to be successful in the labour market. To reach maximum employability in these challenging times for Kazakhstani Business Education, there should be a very good collaboration between state, academic institutions and employers.

Business education should try to do the best to bring up graduates who meet the requirements of employers, enhance international perspectives, and foster outcome focused learning to support excellence in research, develop future-oriented professional programs that meet Kazakhstani companies' needs, strengthen internship

program, assist in career preparation and advising. Kazakhstani Business Schools should explore different possibilities to get feedback from employers about their graduates through satisfaction employers' and alumni associations' surveys. A special council of advisors can be created – consisting mainly of people from companies that are important employers for HEI, which will have advisory and lobbying functions, deal with the elaboration of study programs, work placements and internships at the enterprises.

It is important to have at least a midterm forecast for the demand and offering of the labour market. It is substantial to ensure specialists' education, necessary for the spheres which are significant for the economic recovery.

Each university should formulate a policy and procedures for quality assurance in their programs and commit themselves to the development of a quality culture. Kazakhstani universities should be responsible for teaching quality. Policymakers should give Kazakhstani Business Schools freedom to define strategy, mission, goals/tasks, to adapt the curricula towards Business recommendations, to start new study programs, to plan budgets, to plan expenses, to own real estate, to sell it, to take loans, to recruit staff, to determine salaries, to change the ratio requirement for Professors' degrees.

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