Chapter 12
Paradigm Shift in Management Education: Need for a Cross Functional Perspective

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ABSTRACT

Scholars, in the field of management education, have questioned the efficacy of current focus of business education in creating effective managers. Gulf between theory and practice, undue emphasis on conceptual knowledge, and lamentable attention to knowledge assimilation are cited as the prominent reasons for significantly low level of managerial effectiveness. In this regard, this chapter analyses the current paradigms of management education in its attempt to make a case for the need for a paradigm shift in education. Review of prior research clearly articulates the need for a cross functional approach to management education to bridge the gap between theory and its application. Further, this chapter discusses the dimensions of the process-orientation paradigm that it articulates. Potential contributions of process orientation paradigm and challenges before the cross-functional perspective of management education are also presented.

INTRODUCTION

Business environment is a set of complex interdependent dimensions. Therefore, corporates have to be proactive in identifying the factors that exercise their influence on the dynamic interaction of driving and restraining forces of business. Further, over the years, business environment has evolved into a basket of uncertainties. As a result, business organizations strive to counter this dynamic nature of business environment by resorting to constant evaluation of the primary and supportive activities of their respective value chains. Accordingly, companies are redesigning their business models so as to reinvent business processes and operating procedures. Business issues and problems have become so complex that they

DOI: 10.4018/978-1-5225-1013-0.ch012
cannot be addressed and resolved merely within any specific framework of functional areas of management. Their dynamic nature has indeed broken down the functional interpretation of any challenge that organizations confront. Cross-functional understanding of business issues, going beyond the constraints of organizational hierarchy, and an assessment of cross-functional view of the impact of business decisions on components of value chain - these are highly essential to build and sustain competitive advantage. Therefore, this chapter enquires into the issue of conceptualizing management education going beyond the dominant functional perspective in order to adopt the business process perspective.

**BACKGROUND**

Given the complexity of decision making of the dynamic business environment, B-schools have to address two important issues. First, whether their curricula and pedagogy are oriented toward the learning outcomes that are relevant in the multi-faceted business environment. Second, are they producing management graduates who are able to view challenges from the standpoint of cross-functional perspectives that are imbued with customer and process orientations? This requires management graduates to go beyond their understanding of business management merely in terms of organizational hierarchy and managerial functions. Therefore, these questions need to be answered by those who facilitate management education.

The model of business education was conceptualized in the beginning of the twentieth century. Management education was then structured around the functional disciplines of marketing, distribution, personnel management and accounting. This was quite akin to the functional orientation that the bureaucratic organizations had adopted. However, the concept of business education has evolved over a period of time. Novel management principles like just in sequence, business process reengineering, and total quality management have forced managers to come out of their bureaucratic approach to managerial functioning. This has led to increasing adaptation process orientation in understanding business issues. This necessitates managers to view business situations from a cross-functional and customer-focused outlook as against confining themselves to specific domains of functional specializations (Welke, 2005).

Management education continues to revolve around functional approach to management in spite of the necessity to adopt a cross-functional business perspective. A study undertaken by Boston Consultancy Group, in 2001, concluded that even though business schools continue to nurture management professionals with grounded understanding of compartmentalized technical areas like logistics and supply chain, human resources, finance and information systems, the products of these business schools demonstrate their inability to apply a holistic view of business. This view is further reinforced by international accreditation bodies, such as Association to Advance Collegiate Schools of Business (AACSB), in their evaluation of management curricula of business schools.

Business schools have addressed the need to bridge the gap between theory and practice by realigning their curricula so as to reflect business needs. This has facilitated management schools to introspect and reevaluate their course structures to respond adequately to this growing need. In spite of these efforts by business schools, it is further observed that the curricula of business schools lack the cross-functional focus (Ethie, 2003) and business process orientation (Trites, 2004). Furthermore, it was highlighted by AACSB (2002), in its report entitled ‘Management Education at Risk’, that there is a dearth content on soft skills and business ethics in the curricula of management schools across the world. Moreover, this has spurred employer associations as well as accreditation bodies to lay an emphasis on the need to
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