

PHILIPPINE BUSINESS EDUCATION AND THE NEEDS OF THE 1970's*

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The basic magnitudes of business education in the Philippines are somewhat startling. One of every four collegiate students is enrolled in business administration. There are about 160,000 of them so enrolled. Each year, about 15,000 graduate with a business degree. There are close to 20,000 certified public accountants and over the past five or six years, close to 2,000 examinees a year have successfully completed the Certified Public Accountant's examination.

It is clear, therefore, that a substantial responsibility lies in the hands of Philippine business schools for the development of skilled and trained manpower. The question is whether or not we in business education are doing this effectively.

NATIONAL ECONOMIC GOALS AND BUSINESS EDUCATION

One of the fundamental concepts we teach in business administration is "management by objectives." It seems doubtful, however, if we always practice this that we preach. How many are prepared, one wonders, to specify business school goals in terms of specific competencies that its students will possess upon graduation, and how these competencies fit into the larger framework of national manpower development needs?

The major potential improvement in business education, it seems, lies in the application of the concept of management by objectives to management education itself. The Philippines needs business schools that play a more active role within the context of national economic manpower and other goals. Inasmuch as business schools do have the basic responsibility for training manpower in the business and management, it cannot ignore the existence of national and regional targets in terms of future economic development.

The targets outlined in the four-year national development plan for 1971-74 are a useful start. The general goals are essentially to maintain a certain rate of growth in real income as well as a certain rate of increase in new jobs available. Some specific industrial objectives are, among others, to promote the development of intermediate and capital goods industries, to encourage industries that will subject

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traditional exports to further processing, and to generate greater employment opportunities. As trainers of top-level manpower, it is definitely proper for us in business education to ask ourselves how do our graduates fit into this scheme of things, into the marshalling of resources necessary for the achievement of these overall objectives.

Are we, first of all, producing the required number of graduates? Secondly, do our graduates have the necessary skills and knowledge at the time they leave our respective schools, to enable them to effectively cope with and assist in the achievement of business objectives? Answering these questions would require a closer look into the curriculum, subject-matter coverage, textbooks and teaching material, faculty competence and student selection.

GENERAL TRAINING AND SPECIALIZATION

One of the key words being bandied about nowadays is "relevance." Employers are often not very happy with the training of the students they get. With the increasing activism of students, one also hears about relevance in terms of how closely a course fits into their conception of the social, economic or political problems of the nation. To an employer, relevance could refer to the preparedness of a student for his first job. To business educators, the concept often refers to basic preparation for a career with emphasis on a specific area of competence.

On the one hand, employers sometimes feel that college education is too general so as to be insufficient without substantial on-the-job training. At the same time, they recognize the importance of a broad-based education, broad-based not only in the liberal arts but also in professional business courses.

The basic advantage of such a broad exposure is the added adaptability and flexibility of student thinking when exposed to situations different from the one in which he was trained. The broadly educated man is able to adjust his frame of reference, his attitudes and approach with a minimal amount of time and effort, given changes in the environment. He may have to take a little longer time to learn the details of whatever techniques happen to be necessary, but he is able, with his education, to master this within a short period of time. A narrowly educated person, on the other hand, may take practically no time at all to master the details of his jobs for the reason that he has already gone through all of these details in school. However, it is likely that this specialized person would find it extremely difficult, if at all possible, to adjust to a completely new situation that was not covered during his schooling. Extreme specialization would be doing a disservice not only to the student, who would have little flexibility in terms of potential job opportunities. It is also doing a disservice to industry since it provides little basis for subsequent adjustment and growth on the part of individual employees.

SOME OBSERVATIONS

Relevance probably is best considered from the standpoint of specific innovations that might be made in business education, particularly in subject-matter content. How can business schools be more responsive and anticipate better the basic needs of the economy and the needs of both employees and the students themselves? I think that each of us has his own ideas on this particular subject, but let me hazard a few observations based on my own experience at the University of the Philippines.

First, it has become evident that business students must be more familiar with systems analysis, management information systems and computer technology. Standard accounting systems as they have existed in the past are still useful, but with today's more competitive business situation and more aggressive managers, a subtle shift in emphasis has become discernible. For day-to-day purposes, management often places supreme importance to the availability of information in time for them to be able to be of any use in the decision-making process. Financial statements have to be produced more frequently and ancillary information, not only in monetary units but also in physical units, must also be available. Oftentimes, accuracy is less critical than speed. This is an attitude and a state of mind that perhaps might be injected in business curricula at one point or another. This goes hand in hand with sufficient facility in computer uses and applications, such as the student is able to realize when the computer can be of assistance to the situation at hand.

Second, is the need for greater ability on the part of students to use the quantitative tools and techniques that are now available. Simple optimization models, for example, can be used in many types of decision-making. Likewise, discounted cash flow techniques, linear programming and capital budgeting analysis can be easily applied even in small and medium-sized business organizations. The mathematical maturity of students of business schools would probably have to be built up substantially, through the business curriculum in order to ensure that the level of student capability meets the needs of the 1970's.

Third, the type and quality of examples used in classroom situation are oftentimes so divorced from reality as to be almost useless. The number of foreign books and examples that are used is amazing, considering the availability of many and much more interesting material directly relevant to Philippine situation. For example, how many teachers would be prepared to say that they have actually seen a project feasibility study, or have actually gone through the exercise of evaluating a loan proposal from a small businessman or have actually gone through material used in obtaining market research conclusions? It has only been in recent years that attention has been given to this problem of the availability of case studies based on Philippine experience. The teaching technique known as the "case method" is of course not a recent development. We have been using this at the University of the Philippines for about twenty years now. However, it has only

been recently that Philippine material have been actively collected and used for case discussion purposes.

Fourth, considering the fact that a large portion of the Philippine economy's output is in agriculture; considering the importance of an agricultural base in the course of industrial development; and considering further that many of our graduates eventually end up in agricultural-type enterprises, it is a wonder how little material on agriculture we introduce in our classes. Business students are normally unaware of financing and marketing arrangements for agricultural products, which are oftentimes completely different from the situation in the average-manufactured commodity. The basic problem in agricultural productivity now is not necessarily increased output or increased yield per hectare. An equally important, and possibly more immediately pressing problem, is how to market, distribute, store, finance, and price the increased output already within reach. Greater emphasis on this and related problems would, I believe, result in the improvement of the quality of our students, and thus increase their capacity to contribute towards national development targets.

Fifth, one potentially interesting development is the use of Pilipino as a medium of instruction. I think that none of us will favor the use of Pilipino for the sake of using Pilipino. However, we have found this to be a useful technique in some instances, for two major reasons. One reason is the fact that some types of subject matter may be thoroughly and freely discussed in Pilipino rather than in English. This is particularly true when discussing organizational and human behavior topics. Many college graduates cannot deliver a speech or otherwise talk to a group of workers in Pilipino, a situation that surely arises frequently enough. At the same time, some of the basic concepts of human relations are impossible to express in English. The second reason for employing Pilipino as a medium of instruction in some instances would be the increase of a surprising number of English-speaking students. Most teachers have tended to assume that college students are comfortable in the use of English. Surprisingly enough, this is often a mistaken assumption. Many students still feel self-conscious when talking before a class in English and particularly in discussion courses, livelier discussion can result if the national language is used.

Waves seem to exist also in manpower development. There was a time when law was extremely popular. Education and pharmacy also had their day. The fact that we always hear nowadays about technocrats, organization men and achievers appears to be a reasonable basis for saying that perhaps this is a time for professional management. As business educators, we happen to be in a very strategic and vital position and it is up to us to show the initiative and foresight to anticipate the manpower training needs of the Philippines.

I believe we can do this by applying the basic concepts of management. In thinking about educational targets consistent with national development goals, we would be able to achieve greater relevance through our curricula, teaching material, techniques and the other components of business education.