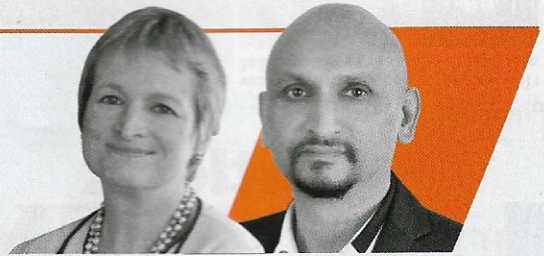


RITA MCGRATH

Professor of management, Columbia Business School

M MUNEEER

Co-founder, Medici Institute



Disrupting higher education with common sense

IN AN ERA OF DIGITAL DOMINANCE, THE EDUCATION SYSTEM NEEDS A MASSIVE OVERHAUL

The recent announcement of Google that college degree is not necessary for jobs should indeed trigger a long-pending disruption of our education system that churns out millions of degree holders obsessed with grades but not enough employable skills.

The National Education Policy (NEP) is probably two decades too late. While it is a welcome step, is there anything innovative about it in this age of digital platforms and boundary-less education? The pandemic season has clearly revealed the chinks in our armour.

Why do we need a degree, as we know it today? What if we could have credentials without a university degree? Think of the music industry. When music started to be sold by the song and not by the album, the ensuing unbundling obliterated the industry's revenues. Imagine something similar happening in higher education, with credentials offered at the level of a skill, rather than a degree.

An inflection point ought to have occurred in education years ago. At various points of time, experts had been predicting that motion pictures, radio, television, and computers and the internet, would disrupt the existing model of education. In 2000, Fathom, an ill-fated online educational platform, had attempted to become the first mover. Now, we have MOOCs (massive open online courses), with millions of eager learners flocking to the likes of Udacity,

Coursera and edX. Indian institutes have also joined the MOOC mission to show their presence.

Remember that we are all paying for the degree inflation. The college degree — an unambiguous credential from an accredited institution — may well be the last barrier to entry, standing between traditional education models and a major disruption. For many companies globally, degrees are a handy shortcut. Want to reduce the resumes sitting in your inbox? Make some kind of credentials, such as a Bachelor's degree, a requirement. In one fell swoop that list of candidates gets shorter. In the US, requiring a BA or a similar degree for entry-level positions knocks out as many as 83% of Latinos and 80% of African Americans. That is a lot of talent to overlook.

However, in India, this does not work much — even PhD holders will apply for entry-level positions requiring just a basic degree — and so an additional qualifier such as a minimum cut-off mark is used. This makes life easier for the HR but cuts off opportunities for many. The obsession of getting a degree with high grades becomes even more reinforced. Yet, the quality of top degree holders today has fallen so low that the employers end up spending substantial resources on training to bring them up to a level where they can add value.

Making a degree the barrier to obtaining a good job creates a vicious cycle: More and more students seek a degree and the business-hungry private institutions

make merry through ever-increasing fees; government is incapable to meet the needs of the millions that come out of schools every year; students resort to taking loans in the hope of finding gainful employment but the stagnant job market and an over-supply of candidates kill the hope for millions. An added socio-behavioural issue in India is that a qualified degree holder feels it's below his dignity to take jobs that do not mandate a degree.

Which is why the Google announcement might be a harbinger for other companies to seek out what we call "new collar" workers. EY and IBM are experimenting with this partly in response to an increasingly poor quality degree pool and partly to reduce the initial payroll burden. Other forms of skill certification are becoming an alternative from this perspective. India should perhaps take a leaf out of Switzerland where 70% of IX grade students take up vocational track. Switzerland's youth unemployment rate is the lowest in Europe. They see apprenticeships as equally valuable for the founding of a good life, and college is meant for those jobs that genuinely require advanced classroom instruction, such as medicine or law.

So, we have a situation in which a great many participants are not being well served. About one million youth enter the job market in India every month; yet employers can't find the right talent. Opportunities are closed to millions who could quite adequately perform a role. All because we continue to use a degree as a proxy for other things we really care about — soft skills, the ability to write cogently, the ability to interact with technology and so on.

Whenever a system has enough poorly served constituents, it is ripe for an inflection point. We believe that alternative forms of credentialing in which some kind of respected accreditation body certifies skills at the level of the skill, rather than the degree, will gain real momentum. We are starting to see the emergence of business models in this direction — there is Pearson Education, which helps other institutions create alternatives to traditional degrees, and startups such as Degreed, which makes revenue by certifying people for skills.

Today, the economics of higher education exist because there are few alternatives. Students see no choice but to attend college in order to access meaningful employment. They are forced to take a whole

bunch of courses regardless of their interest. Professors are rewarded for their seniority and not for being inspiring curators of the learning process. In many of our institutions, teaching is seen as a nuisance and many courses still offer obsolete lessons.

An ecosystem fails when it fails to create results for its constituents. The university system, however, is bulwarked by its control over that paramount credential business. Alternative credentials are starting at the 'low end' of the education market, with boot camps, online courses and short "training" sessions, but the impact on established institutions will be greater over time.


How shall educational institutions transform their business for the disruptive era? Arizona State University (ASU) — consistently ranked as the most "innovative school" — has been holistically approaching its programming to be relevant, useful and student-friendly. They have the Starbucks College Achievement Plan that provides tuition relief for Starbucks

employees. Its Global Freshman Academy allows anyone to enroll online and transfer the credits back to ASU — paying only when they successfully complete. Accelerated degree programmes allow students to complete their courses faster. A university in Himachal Pradesh, Shoolini, is innovating differently by keeping costs and fees low and attracting bright minds from small towns for

cross-pollinated growth.

Other universities are offering desired course experiences themselves, combining technology platforms and impactful combos — Northeastern University (Massachusetts) offers a popular coding and analytics boot camp and Southern New Hampshire University is redirecting its attention to life-long learners.

We are not suggesting that a carefully curated curriculum, taught by passionate teachers, is bad. We are reiterating that students must be able to integrate what they learn with what is in practice. The dilemma, however, is when the degree becomes an end in and of itself.

It may probably be too early to completely disrupt the university model as we know it, but it is certainly the right time for those making decisions in higher education to keep a close watch on developments in alternative credentialing. 

As more students seek a degree to get a good job, business-hungry private institutions make merry through ever-increasing fees

M MUNEEER IS THE CO-FOUNDER OF MEDICI INSTITUTE. HE CAN BE REACHED ON TWITTER AT @MUNEERMU