

EXECUTIVE SUMMARY

Education is considered as an integral component in precipitating economic growth of a country. Being a developing nation, Sri Lankan government's commitment to promoting the knowledge and the educational level of the citizens over the last three decades is not commendable. Though admirable efforts of the government enabled the nation to achieve a remarkable percentage of 96% literacy rate in the Sri Lankan population and the completion of the primary education with 87%, which is remarkable compared to the statistics of many other Asian countries, designing the higher education programmes to get aligned with the evolving global trends is comparatively low. In addition, our country has a shortage in its skilled labour due to the educational quality and its relevance which impaired the productivity and impacted the economic growth. One reason for poor productivity and slow economic growth is the deficiency in the educational quality, the training and the flexibility which is far below the global standards.

The expansion in primary and secondary enrollments gave rise to a surge in the demand for tertiary education. But no corresponding increase in the capacity of the public universities is observed to accommodate the students qualifying to receive tertiary education. The government's motive to lessen the public spending on this segment created an opportunity for private intervention. However, weak regulatory environment precipitated the involvement of international institutions causing a misalignment with the government's macro objectives. Ensuring that students have gained knowledge and skills is more important than churning out graduates. There is a general dissatisfaction among the employers in Sri Lanka in respect of the knowledge taught by the Higher Educational Institution and their actual participation in grooming the student to conquer the challenges in the corporate world. Accredited business schools have emerged throughout the globe and Sri Lanka could not escape the consequences. It is doubtful whether the MBA qualifications offered through these business schools add any value to the student in enhancing the knowledge and skills, work performance or career prospects.

Based on literature, in this knowledge driven age intellectual capital is of paramount importance which triggers competitive advantage achieved through superiority in performance. Due to the strong analytical knowledge and motivational skills, employers prefer to deploy MBA graduates at the work place for better performance. However, literature reveals that MBA graduates fell short of the employer expectation with regard

to the interpersonal skills, communication skills, the presence of business sense and the practical application of knowledge acquired through the MBA programme.

An exploratory survey was conducted to cast valuable insights into the quality of the MBA graduates in the private commercial banks. Banking industry is of strategic importance to the Sri Lankan economy due to its foremost functional role played in terms of financial intermediation where the financial industry is heavily dependent on the intellectual capital to infuse creative thinking.

Through the literature seven variables were identified which were seen as important characteristics expected in an MBA graduate namely knowledge, problem solving ability, extroversion, leadership skills, innovation, self-confidence and professionalism and the presence of these elements were supposed to enhance the individual productivity.

Survey was conducted primarily through the distribution of questionnaires which was used for the quantitative study. The qualitative study was performed by conducting an in depth interviews. Survey findings revealed that MBA is considered a value addition and invites recognition. However, the qualitative findings reveal that over the years the quality of MBA has significantly reduced in Sri Lanka and the course content lacked in quality and relevance due to the absence of coordination between the business school and the employers.

To realize the macro objectives, several managerial reforms have been proposed to formulate and implement on a priority basis to boost the quality of the MBA graduates namely modifying the regulatory framework, eliminating shortcomings in the teacher management process, engaging in state sponsored research, introducing uniform learning evaluation mechanism and introducing quality assurance institutions and techniques. Implementing such measures enhance the knowledge and skills of the MBA graduates to make a better contribution to the organization to enhance productivity whereby economic growth is accelerated.

This survey is confined to the private commercial banks but the survey findings could be used across numerous industries and induce researchers to explore gaps in other industries which are of strategic importance to our country to assess the application of the findings to those sectors as well.