

## **On Reorienting Undergraduate Management Education**

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**T**he recent passage of the bill entitled Kalakalan 20 by Congress, authored by Representative (now Secretary of Transportation and Communications) Oscar Orbos and signed by President Corazon C. Aquino, should be an occasion for business educators in the Philippines to re-examine their curricula and programs especially at the undergraduate level.

The seminal ideas for Kalakalan 20 were authored by Professor Victor Limlingan of the Asian Institute of Management, who has devoted much time in investigating Asian styles of management.

Modeled on a similar law in Italy, the bill in effect sets up much looser structures, freer from legal constraints and requirements, for small businesses having only twenty employees. Although Congress insisted on certain safeguards to protect labor rights, the spirit of the law is clear in exempting such small businesses from onerous tax impositions as well as labor law requirements, to make them viable. In plain and simple terms, for starting small businesses in the countryside, the present minimum wage requirements have been recognized to be unrealistic, and some flexibility has been introduced in this area.

More important, however, than the incentives is the spirit behind the legislation, namely, the encouragement of entrepreneurship in the countryside through the establishment of small-scale industries or small businesses.

The fact is that the strategy of development of the Philippines has been until lately skewed toward heavy industrialization (and therefore big enterprises) and de facto prejudicial to agriculture which should have received the main focus from the beginning.

The niche for small business is midway between primary farming and agribusiness on the one hand and large-scale industries on the other hand. The ideal is for the Philippines to become 'a nation of small businessmen and entrepreneurs', a description I would not consider pejorative in the same way someone described a European country in the nineteenth century as 'a nation of shop-keepers'.

The implications for business education are clear. Business education should reflect the environment and the society in which business or practice takes place. We have of course gone beyond teaching undergraduates all about being chief executive officers in multinational companies. And we certainly have been teaching entrepreneurship and small business management and offering practicum courses for several years now. Thanks to the pioneering work of the Institute of Small Scale Industries at the University of the Philippines, the initiatives taken by the Philippine Association of Colleges and Schools of Business (PACSB), and the new courses on entrepreneurship introduced by AIM at the graduate level, several colleges of business have reoriented many of their undergraduate courses towards small-scale industries and small-business management.

In the Philippines, given the nature of our clientele, it seems that it is at the graduate level where the courses on more complex

industries and organizations are beneficial and relevant, for future MBAs who are already employed in larger companies. At the undergraduate level, however, our orientation is highly undesirable; opportunities for recent graduates are fewer for rapid rise in large businesses, and we are trying to encourage young men and women to become their own bosses by being entrepreneurs or by professionalizing the management of their existing family enterprises.

With Kalakalan 20, which should be taught as part of the commercial law curriculum for business majors, we should take

the cue and re-think the entire curriculum so that small business management and entrepreneurship are not merely electives (together with practicum units) but become the focus of the entire business curriculum with practicum and actual business experience built into the program as integral parts of the study programs.



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