



# Impact Of Nep 2020 On Commerce And Management Education In India

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## Abstract

The National Education Policy (NEP) 2020 marks a significant shift in India's higher education landscape, particularly influencing Commerce and Management education. This study examines the policy's transformative initiatives aimed at fostering multidisciplinary learning, skill development, and industry relevance. NEP 2020 introduces major structural reforms, including the four-year undergraduate programme (FYUGP), Academic Bank of Credits, multiple entry–exit options, and a stronger emphasis on experiential learning through internships and vocational training. For Commerce and Management disciplines, the policy opens new avenues for integrating financial literacy, entrepreneurship, digital skills, business analytics, and global trade practices into the curriculum. While these reforms create opportunities for enhancing employability and aligning education with evolving market demands, they also present challenges related to institutional readiness, faculty training, and resource constraints. This article evaluates both the opportunities and the implementation barriers to provide a balanced understanding of the policy's impact on developing future-ready business graduates in India.

**Keywords:** NEP 2020, Commerce Education, Management Education, Higher Education Reform, Employability, Entrepreneurship Education.

## 1. Introduction

The National Education Policy (NEP) 2020 was introduced with the vision of creating an education system capable of supporting India's expanding economic prosperity. It aims to transform learning from the foundational (K–12) level to higher education by emphasizing three core goals: enhancing quality, ensuring diversity, and strengthening integrity in educational delivery. Commerce and Management education play a pivotal role in national development, as these disciplines directly influence the functioning of key economic sectors such as banking, manufacturing, services, and technology. Since finance is the foundation of every industry, the ability to manage financial resources effectively requires a strong integration of both commerce and management competencies.

Historically, educational policies in India have prioritized theoretical learning, offering limited exposure to practical, experiential, and skill-based learning. This has created a significant barrier for students seeking global career opportunities. NEP 2020 seeks to bridge this gap by promoting creativity, critical thinking, innovation, and skill development aligned with the demands of a rapidly evolving international job market. Consequently, Commerce and Management curricula must shift towards outcome-based education (OBE), ensuring that learners clearly understand what they will achieve and how these competencies will prepare them for future economic challenges.

In a world of eight billion people, where an estimated 99 percent are job seekers and only one percent are job creators, the role of higher education institutions becomes central to shaping employability and entrepreneurial capability. The growing mismatch between the skills students acquire and the competencies required by modern industries highlights an urgent need for academic restructuring. Students often possess qualifications that are not aligned with market expectations, making it difficult for them to secure meaningful employment. Bridging this gap between the supply and demand for skilled human resources rests primarily with academic institutions.

Commerce education has gained prominence in recent decades because of its capacity to equip learners with analytical, computational, managerial, and higher-order thinking skills, all of which enable innovative and creative problem-solving. NEP 2020 further strengthens this objective by promoting multidisciplinary education, integrating arts, humanities, technology, and vocational components into traditional business curricula. The policy emphasizes conceptual understanding through improved pedagogical practices that encourage communication, collaboration, and experiential learning.

## 2. Review of Literature

Several scholars have examined the implications, strengths, and limitations of the National Education Policy (NEP) 2020, offering valuable insights into its potential impact on India's higher education landscape. Subra Jyothsna A. and Aithal S. critically evaluated the effectiveness of NEP 2020 in achieving its stated goals. Their study provided a comparative analysis between the newly introduced policy and the earlier education framework, identifying gaps in the previous system and highlighting the expected improvements under NEP 2020. The authors emphasized the importance of faculty development, mandatory Ph.D. qualifications, and increased research output as essential recommendations for successful policy implementation.

Similarly, Praveen J. and Pooja P. analyzed the modifications introduced in educational policy over the preceding three years and assessed the factors contributing to the overall development of the education sector. Their research underscored the structural adjustments that higher education institutions including universities and colleges—must adopt to align effectively with NEP 2020. These include curriculum redesign, pedagogical innovation, and administrative restructuring.

Muskan S. contributed further to the discourse by discussing the broad implications of NEP 2020 on various segments of the education sector and the economy. The study traced the evolution of the policy from its initial announcement by the Prime Minister to the practical challenges institutions may face in transforming their academic and operational environments. Issues such as institutional readiness, infrastructural limitations, and the need for cultural change within academic settings were highlighted as critical considerations.

The literature collectively indicates that the transition to NEP 2020 poses significant challenges for universities, colleges, schools, faculty members, and students. Many stakeholders lack adequate awareness and preparedness to adopt the new policy's mandates, creating resistance or difficulty in embracing reforms. Since NEP 2020 calls for a comprehensive overhaul of the academic ecosystem, it becomes essential for all participants to understand the benefits and intended outcomes of the policy.

Given the transformative emphasis of NEP 2020 on multidisciplinary learning, skill development, and outcome-based education, there is a growing need to explore its implications specifically for the fields of Commerce and Management. Therefore, the present study aims to evaluate the advantages, scope, and challenges associated with implementing NEP 2020 within these disciplines. Such an assessment will help the academic community understand the policy's potential impact and collaborate more effectively to achieve its intended goals.

### 3. Vision and Principles of NEP 2020

The National Education Policy (NEP) 2020 is built upon a progressive vision aimed at transforming India into a globally competitive knowledge economy. Its overarching aim is to provide high-quality education for all learners, enabling the nation to emerge as a global knowledge superpower. The policy emphasizes the development of curricula and pedagogical practices that nurture respect for fundamental duties, constitutional values, and a strong sense of national identity. It seeks to cultivate in learners a conscious understanding of their roles and responsibilities within an increasingly interconnected and rapidly changing world.

#### 3.1 Core Principles of NEP 2020

NEP 2020 emphasizes several foundational principles that guide its transformative agenda:

- **Holistic and Multidisciplinary Learning:**  
The policy promotes a broad-based education system that integrates arts, sciences, humanities, technology, and vocational subjects. This approach supports cognitive, social, and emotional development, enabling students to acquire diverse perspectives and real-world problem-solving abilities.
- **Flexibility and Choice-Based Learning:**  
Students are encouraged to design their own learning pathways through flexible course combinations, multiple entry–exit points, and the Academic Bank of Credits (ABC). This flexibility accommodates diverse learning speeds, backgrounds, and career interests.
- **Experiential and Skill-Based Learning:**  
NEP 2020 prioritizes hands-on learning through internships, field visits, research projects, and vocational training. This principle shifts the focus from rote memorization to applied knowledge, practical skills, and competency development.
- **Learner-Centric and Outcome-Based Education:**  
The policy advocates for teaching methods that enhance conceptual understanding, inquiry-based learning, and continuous assessment aligned with clearly defined learning outcomes.
- **Technology Integration:**  
Digital platforms, online resources, and blended learning models are promoted to increase accessibility, enhance teaching efficiency, and foster digital literacy among students.

#### 3.2 Long-Term Vision for Higher Education

The long-term vision of NEP 2020 is to establish a higher education system that is globally competitive, inclusive, research-driven, and capable of producing socially responsible and skilled graduates. The policy aims to:

- create multidisciplinary higher education institutions (HEIs) that cultivate innovation, research, and creativity;
- increase the Gross Enrolment Ratio (GER) in higher education to 50% by 2035;
- enhance institutional autonomy and governance to improve accountability and academic excellence;
- promote internationalization through credit transfer, collaboration, and global best practices;
- reorient higher education towards employability, entrepreneurship, and lifelong learning.

### 3.3 Relevance of NEP 2020 to Commerce and Management Disciplines

Commerce and Management education holds a critical position in shaping India's economic growth, and NEP 2020 directly addresses the evolving needs of these fields. The policy's emphasis on flexibility, skill development, and multidisciplinary learning aligns with the dynamic requirements of business, finance, technology, and entrepreneurship.

- Multidisciplinary opportunities allow business students to complement core subjects with courses in data science, psychology, economics, languages, technology, and creative arts broadening their managerial and analytical capabilities.
- Skill-based learning and experiential components such as internships, case studies, simulations, and industry projects enhance students' practical understanding of markets, financial systems, and organizational behaviour.
- Integration of digital and entrepreneurial competencies helps learners adapt to technological advancements such as fintech, e-commerce, business analytics, and global supply chain management.
- Outcome-based education ensures that Commerce and Management programmes produce graduates with critical thinking, communication, problem-solving, and leadership skills aligned with industry expectations.

## 4. NEP 2020: Framework for Higher Education Transformation

The National Education Policy 2020 introduces a transformative framework for higher education in India, aiming to develop flexible, multidisciplinary, skill-oriented, and globally competitive learning environments. The reforms outlined in NEP 2020 are designed to bridge the gap between academic knowledge and industry demands while preparing students for the challenges of a dynamic job market.

### 4.1 Four-Year Multidisciplinary Undergraduate Programme (FYUGP)

The FYUGP represents a major structural shift from the traditional three-year degree model. It offers students a comprehensive, multidisciplinary education with multiple exit points and options for specialization.

- In the first year, learners explore foundational courses from diverse disciplines.
- The second and third years focus on discipline-specific subjects and skill-based training.
- The fourth year is research-intensive, allowing students to undertake a capstone project or dissertation, which strengthens their analytical and research capabilities. This model enhances academic depth, flexibility, and employability while bringing Indian higher education closer to global standards.

### 4.2 Academic Bank of Credits (ABC)

The Academic Bank of Credits is a digital repository that stores academic credits earned by students across recognized institutions. It enables mobility within the education system and supports lifelong learning.

- Students can accumulate credits from multiple institutions.
- Credits can be transferred or redeemed toward completing a degree or certification.
- This system encourages flexible learning pathways, self-paced progress, and interdisciplinary education.

ABC empowers students to customize their academic journey while maintaining transparency and accountability in credit accumulation.

#### 4.3 Multiple Entry and Exit Options

To promote flexibility and prevent dropout-related academic loss, NEP 2020 provides structured multiple entry and exit options:

- After 1 year: Certificate
- After 2 years: Diploma
- After 3 years: Bachelor's degree
- After 4 years: Bachelor's degree with Research

This model accommodates students' personal, financial, and career constraints, allowing them to pause and resume their education without losing progress. It also recognizes the diverse needs and circumstances of learners, encouraging greater inclusivity.

#### 4.4 Emphasis on Skill Development, Entrepreneurship, and Internships

NEP 2020 prioritizes the integration of practical and skill-based learning within higher education.

- Institutions are encouraged to embed internships, apprenticeships, field projects, and community engagement activities within their programmes.
- Courses on entrepreneurship, innovation, design thinking, digital literacy, and problem-solving form an essential part of the curriculum.
- Partnerships with industry, businesses, and research organizations strengthen students' exposure to real-world challenges and enhance employability.

This approach shifts learning from a purely theoretical orientation to one that balances academic knowledge with applied skills.

#### 4.5 Digital and Technology-Integrated Learning

The policy recognizes technology as a catalyst for expanding access and improving teaching quality.

- Digital platforms such as SWAYAM, DIKSHA, and virtual labs facilitate online and blended learning.
- Institutions are encouraged to adopt Learning Management Systems (LMS), smart classrooms, and digital content creation.
- Artificial intelligence, data analytics, and educational technology tools are integrated into teaching–learning processes to personalize learning and improve outcomes.

Technology-enabled education prepares students for the digital economy and ensures resilience in situations where physical learning may be disrupted.

### 5. Key Reforms Relevant to Commerce & Management Education

NEP 2020 introduces several reforms that directly impact Commerce and Management education, aiming to modernize curricula, enhance practical exposure, and align academic training with the evolving demands of the global business environment. These reforms emphasize interdisciplinary learning, employability, skill development, and innovation.

#### 5.1 Curriculum Restructuring for Commerce and Management

The policy calls for a comprehensive restructuring of curricula to ensure relevance, flexibility, and industry alignment.

- Programmes must be redesigned to include conceptual clarity, practical application, and outcome-based learning.

- Traditional subject boundaries are softened, enabling students to choose from a broader range of electives such as economics, data science, psychology, marketing, public policy, and digital technologies.
- Case studies, simulations, business models, and project-based learning are emphasized to connect classroom learning with real business scenarios.

## 5.2 Integration of Vocational Education, Financial Literacy, and Entrepreneurship

One of the most significant reforms of NEP 2020 is the integration of vocational components and skill-based learning into higher education programmes.

- Commerce and Management students are encouraged to pursue vocational courses related to banking services, accounting software, taxation, supply chain operations, retail management, and business communication.
- Financial literacy modules—covering budgeting, savings, taxation, investments, digital payments, and personal finance—prepare learners for both professional and personal financial decision-making.
- Entrepreneurship education is given special importance, encouraging students to develop business ideas, participate in innovation challenges, and work in incubation centres. This integration develops a workforce that is job-ready, entrepreneurial, and able to adapt to technological and economic changes.

## 5.3 Industry–Academia Collaboration

NEP 2020 encourages stronger collaboration between higher education institutions and industry to bridge skill gaps and enhance employability.

- Industries are encouraged to participate in curriculum design, ensuring alignment with current market needs.
- Students engage in internships, apprenticeships, live projects, and corporate mentoring programmes that provide hands-on experience.
- Guest lectures, workshops, and seminars by industry professionals support knowledge transfer and networking. Such collaborations build a robust ecosystem where academic learning is reinforced by practical exposure and industry expectations.

## 5.4 Focus on Research, Analytics, and Emerging Areas (FinTech, AI, Global Trade, etc.)

The policy reinforces the importance of research and innovation in Commerce and Management disciplines.

- Students are encouraged to conduct research projects, market studies, and business analyses to strengthen analytical and problem-solving skills.
- NEP 2020 highlights the need to integrate emerging areas such as FinTech, artificial intelligence (AI), machine learning, blockchain, e-commerce, digital marketing, international business, sustainability, and global trade into business curricula.
- Business analytics, data interpretation, statistical tools, and decision-making models are becoming core components of modern management education. This focus prepares learners to navigate complex business environments and contribute meaningfully to technology-driven and globally interconnected economies.

## 6. Opportunities Emerging from NEP 2020

The implementation of NEP 2020 opens a wide range of opportunities for Commerce and Management education, enhancing the overall quality, relevance, and competitiveness of graduates in the global marketplace. Its learner-centric design, emphasis on multidisciplinary education, and integration of skill-based components create a more dynamic and industry-responsive academic environment.

### 6.1 Development of Job-Ready Graduates

NEP 2020 encourages institutions to shift from theoretical teaching to practical, skill-oriented learning.

- By incorporating hands-on training, industry projects, and outcome-based curricula, students develop competencies that align with current market needs.
- Essential employability skills—including communication, leadership, problem-solving, digital literacy, and teamwork—are embedded into academic programmes.

As a result, graduates become more adaptable, confident, and prepared for real-world business challenges.

### 6.2 Enhanced Scope for Internships and Experiential Learning

The policy mandates the inclusion of internships, apprenticeships, and fieldwork as integral components of higher education.

- Commerce and Management students gain valuable exposure to accounting firms, financial institutions, corporate offices, start-ups, and NGOs.
- Experiential learning bridges the gap between theory and practice, helping learners understand workplace dynamics, improve decision-making, and build professional networks.

This practical exposure significantly enhances employability and career readiness.

### 6.3 Flexibility to Pursue Multidisciplinary Combinations

One of the major strengths of NEP 2020 is its flexibility in course selection.

- Students can combine subjects from different domains—for example, commerce with data science, psychology, computer applications, economics, or design.
- Such combinations develop holistic understanding and diverse skill sets, making graduates versatile and competitive in diverse career paths.

This flexibility encourages creativity, broader knowledge acquisition, and personalized academic journeys.

### 6.4 Better Alignment with Global Business Education Standards

NEP 2020 aligns Indian higher education with international frameworks by promoting holistic learning, credit mobility, research integration, and four-year degree programmes.

- The focus on research, internships, and skill-based learning mirrors global business education models.
- Increased academic autonomy allows institutions to innovate, update curricula regularly, and benchmark themselves against global standards.

### 6.5 Promoting Entrepreneurship and Innovation

The policy emphasizes nurturing an entrepreneurial mindset among students.

- Entrepreneurship courses, incubation centres, start-up clubs, and innovation labs support idea development and venture creation.

- Students learn business planning, financial modelling, risk analysis, and market research skills essential for building successful enterprises. This focus contributes to creating more job creators and reducing dependence on traditional employment pathways.

## 6.6 Scope for International Collaboration and Credit Transfer

Through the Academic Bank of Credits (ABC) and flexible regulatory frameworks, NEP 2020 expands opportunities for global exposure.

- Students can pursue courses from foreign universities, participate in student exchange programmes, and transfer credits seamlessly.
- Collaboration with international institutions enhances research opportunities, cross-cultural learning, and global mobility.

## 7. Opportunities and Challenges in Implementing NEP 2020 in Commerce & Management

The implementation of any new policy inevitably brings both opportunities and challenges. This occurs because reforms often require significant changes to long-established practices, and stakeholders may resist adjustments that disrupt familiar systems. However, policy changes become essential when the existing framework no longer meets societal needs. NEP 2020 has been introduced to modernize India's education system, empower young learners, and enable the nation to remain competitive in a rapidly changing global environment. Like every reform, it presents advantages that can be leveraged and hurdles that must be addressed through continuous improvement. No policy is perfect at inception; it requires periodic evaluation, revision, and upgrading.

This section explores the potential opportunities and the challenges associated with the implementation of NEP 2020. The context is particularly significant because the policy was introduced at a time when the world was grappling with the COVID-19 pandemic. The crisis exposed limitations within the education system and accelerated the need for digital learning, resilience, and adaptability. However, many provisions of NEP 2020 demand substantial financial investment, technological infrastructure, and capacity building—areas where the nation still faces constraints. While several components of the policy offer promising outcomes in the near future, others require greater clarity, planning, and stakeholder awareness.

A key issue underlying the need for reform is the long-standing gap between *learning* and *literacy*. Although students spend many years in schooling, their academic journey often becomes focused on securing high grades rather than acquiring meaningful understanding or applicable skills. The pressure to excel in examinations overshadows conceptual learning, leaving many graduates with degrees but limited clarity about their career aspirations or competencies.

Furthermore, a persistent disconnect exists between what educational institutions teach and what industries expect. Employers frequently report that graduates lack practical, analytical, and interpersonal skills required in modern workplaces. As a result, students pursue external training programmes after completing their degrees to acquire skills that the formal education system could not provide. This mismatch contributes significantly to rising unemployment and underemployment among educated youth.

The current Indian education system has been criticized for rote learning, outdated curricula, and insufficient exposure to real-world challenges. India's ranking of 35th in the Global Education Rankings 2020 reflects these systemic shortcomings. NEP 2020 aims to address these issues by introducing a forward-looking, skills-oriented, and multidisciplinary education model aligned with the demands of the 21st century. If implemented effectively, the policy has the potential to transform the educational landscape and better prepare learners for global competitiveness.

## 8. Conclusion

The National Education Policy (NEP) 2020 represents a monumental step toward transforming the Indian education system, especially after more than three decades of relatively unchanged frameworks. Over time, a visible gap emerged between industry expectations and academic outcomes, resulting in graduates who often struggled to secure suitable employment or were underpaid despite their qualifications. Such mismatches have contributed to rising frustration, dissatisfaction, and even mental health challenges among young professionals. NEP 2020 seeks to bridge this long-standing divide by introducing structural, curricular, and pedagogical reforms that promote skill development, conceptual understanding, and industry relevance.

Although NEP 2020 is still in the early stages of implementation and may require refinements based on practical outcomes, its proposals carry significant potential to benefit all stakeholders students, educators, institutions, and employers. The introduction of vocational courses, reduction of examination-related stress, flexibility in subject selection, integration of new disciplines, and removal of rigid stream barriers collectively mark a shift toward a more learner-centric education system. Students now have greater autonomy in choosing subject combinations aligned with their interests, aptitude, and long-term career aspirations. In this respect, tools such as Dermatoglyphics (which examines intrinsic abilities through fingerprint analysis) may help individuals make informed academic choices based on natural talents and strengths.

NEP 2020 signals the government's vision to bring transformative change to the education sector. As with any policy, successful implementation will depend on transparent processes, institutional readiness, adequate funding, and continuous monitoring. In today's highly competitive environment, industries seek individuals with specialized skills, adaptability, creativity, and problem-solving abilities. To meet these expectations, students must develop competencies that align with evolving workplace requirements. NEP 2020 attempts to address this need by providing mechanisms for flexible learning pathways, vocational exposure, and multidisciplinary education.

One of the policy's most promising aspects is its support for self-employment and entrepreneurship. With the rise of start-ups across India such as Flipkart, Zomato, and Swiggy there is growing recognition that economic growth is driven not only by job seekers but also by job creators. NEP 2020 aims to empower students with the skills necessary to identify industry gaps, innovate solutions, and build sustainable ventures. By nurturing entrepreneurial thinking from an early stage, the policy encourages individuals to pursue opportunities beyond traditional employment and contribute to the broader economic landscape.

In summary, NEP 2020 offers a comprehensive framework for modernizing education and equipping learners with the knowledge, skills, and mindset required for success in the 21st century. While challenges remain, the policy's long-term vision supported by strategic, phased, and collaborative implementation has the potential to reshape Commerce and Management education and prepare India's youth for meaningful careers, global competitiveness, and entrepreneurial growth.

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