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## **EDUCATION & BUSINESS MANAGEMENT**

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**ABSTRACT:**

Romania, as well as other countries from the East Europe, is crossing a transition period, due to the political changes from 90's years. At the same time there are fundamental modifications in all socio-economic areas. One of the most important domains is the education sector, at all his levels but especially at the academic ones.

The connections between the academic life and business environment could be considered as fundamental issue of the economic development, linkage of the national values to the Europeans, integration facilitator.

From this point of view the education management has a very important role and it has to be related to the expectation of the business environment. To be able to offer the best product for on the labor market, the academic management has to be designed according with the business management principles.

The business environment was forced to accept and implement the market economy fundamentals to survive under the new conditions. The orientation of the business to the European Union is shows by the trends of the exports and imports significant increased in the last years. New questions rise from the future evolution taking into account the enlargement of the European Union and the Romanian integration expected for 2007.

In our opinion the educational and academic sector passed the first evolution step represented by the apparition and development of the private sector and the connection with the European and international similar institution. These tow direction open a new window for changing ideas and organize the education sector on new basis.

The enlargement process of the European Union will make the education management face with new challenges. We consider that the cybernetic approach of the linkage between education management and business management could offer viable solution for both sectors and socio-economic development.

The time we are crossing is plenty of various changes at the socio-political level. Also we can appreciate that a new economic geography is designed. There are a lot of challenges we have to face with, as supra-production, resources limit, supra-population, high pollution, climacteric

changes and the list can easily be continued. The instigations are placed on every domain of socio-economic environment.

During the society evolution, theory and practice were at the same or at different stages of development. Some time, theory predicts the evolution and defines it so it was prepared the theoretical model and the practice implements and validates it. Also, there were times when the practice precedes the theory and the phenomena take place and the theory tries to explain and find the laws and rules.

We consider that at this moment we are facing with the situation that the theory is looking for solutions able to explain and predict the socio-economic phenomena. Unfortunately there are two main aspects of the subject:

- the local perspective
- the global perspective

with huge influences between them.

So, for example, the transition countries are looking for viable solution of their problems as integration, competitiveness, corruption, poverty, less technology, labor emigration. These problems influence the developed countries as well. They find new markets but less affordability, they invest but the corruption waste the profit and spoiled the dreams. People are unhappy on both parts, some of them are looking for advanced model and the others are not able to provide them, and that involve a global approach.

Terrorism, seem to be a problem between USA and Arabian countries or groups, but it has influences on the transition countries as well. They increased their efforts of North Atlantic Integration due to the fact that they are looking for as much as possible allies.

Pollution and climate changes are global problems and they have to be solved at a global level, so all countries have to participate with the available resources unconditional.

The main aspect we intend to comment, into this paper, is the educational transition at the global societal level and the Romanian education process redesign through the transition.

### **Global challenges – from informational society to knowledge society**

During the last 50 years the computers and informational technology development changes the face of the world from the industrial production society to the informational society.

This evolution placed the entire society in a superior evolution stage with information as the central element.

The technology of collecting and processing information shows the importance of owning it. This was the reason of developing an unlimited industry related to information called, as everybody knows, INFORMATION TECHNOLOGY, able to assure the following transformation chain:

DATA – collect – storage – process – INFORMATION

**Informational society**, the society based on the information, rise on the socialist opinion certain problems regarding organizing, usage and controlling information, allows them to develop the informational management. Taking as base element of this society the information, the performance is evaluated by the manner of information administration and its management.

The aim of informational management is to provide to the information consumer the requested abilities to use it with maximum efficiency and efficacy. An important aspect is transparency and availability of the information to all interested in. More and more sophisticated equipments and techniques (software) were developing up to facilitate a better access to the information.

The development of informatics „tools” software and hardware able to facilitate better capacities of information processing and increasing speed are at this moment implemented in all domain of social-economic life.

Today the Information Society is the usual reality even if a few years ago you do not expect it. The reality around you is builds on the information society facilities. The house was design on the computer, your car as well, the heater is burning, the bulb is lighting and the water is leaking just because somebody is controlling them on a screen through a computer. Are you buying milk or bred, at the same time from the cash-case the information is changing the stock amount and is placing the order to the producers. Are you calling somebody, it is OK, the conversation will be metered and the cost will be included on your phone invoice sanded at the end of the month to your bank and debiting your account. What else are you doing ????? Nothing else that working, listening a song, looking to the TV, righting letters ..... EVERY THING USING A COMPUTER.

The most important thing is that if you want to be near by the others – on the computer – you should LEARN – how to use the computer. And more, and more you need new **knowledge**.

This is the reason of the transition from the **Information Society** to the **Knowledge Society**. If knowledge was any time and it will be for ever, the present society is based on the knowledge as central axel. The performance of this new type of society should be given by the **knowledge management** that is the efficient administration of knowledge.

Peter F. Drucker on “The reality of tomorrow world<sup>1</sup>”, sad that “Îndreptarea către cunoaștere și învățare ca modalități de asigurare a unui loc de muncă bun și a unor perspective profesionale înseamnă, mai presus de toate, o trecere de la o societate în care afacerile erau principala cale de avansare ierarhică la o societate în care afacerile reprezintă numai una dintre variante, fără a mai fi distinctă” (The straighten to the knowledge and learn as ways to get a better job and better professional perspectives means, over all, the transition from a society where business are the main way of promoting, to a society where business are one of the option without being different.)<sup>2</sup>.

If during the capitalist and post capitalist society the physic work has the main percentage and the level of general learning and professional education allows the unlettered and limited the majority to the basic read-write knowledge, the informational society open new opportunities and the knowledge society oblige to exchange the proportion. Therefore the percentage of the persons with high education academics, masteral and doctoral studies, so with a larger sphere of knowledge is growing continuous and obvious.

Taking the position on the top level management of organizations is compulsory determinate by the heist level of education and knowledge. At the same time this high level of self development allows to the individual a high liberty. In the mention above book Peter Drucker sad in 1989 that “Prin cunoștințe și-au dobândit libertatea, iar această lecție pe care au învățat-o persoanele cu studii din America, și mai ales tinerii, nu va fi uitată niciodată” (Through knowledge they achieve the liberty, and this lesson was learn by the American educated peoples, especially by the young and it will not be forever forgot.)

In the year 2003, this lesson we appreciate that is well known by young all over the world. If the impact was considerable to the young generation in a developed country where they already had large expectation and high life level, it is easy to understand that the effect on the young generation on a transition or less developed country is few time stronger.

The knowledge is given by the level of education the person acquires on his family, in society and especially on school. The extensive development of organized education conduct in all most the countries to the generalized high school education and a large system of academic and post academic studies which can be considered as well mass education. This phenomena is mainly in the transition countries, where from the cultural point of view is important to have as much as possible organized education. The market

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<sup>1</sup> Peter F. Drucker, Realitățile lumii de mâine (Reality of tomorrow world), Editura Teora, București, 1999, pg.167, 173

<sup>2</sup> The translation in English belongs to this papers author, due to the fact that the original book was not available and the reference is the Romanian version as shows by the previous note.

requests generate the appearance of a large number of private universities and a large number of young peoples were included in o structure of academics and post academics studies.

As an example, the number of young trained in foreign languages is larger in the transition countries than in developed ones. Based on the Business Central Europe<sup>3</sup> statistics, on the transition countries (East European and Baltics) over 50% of young are trained in English language and 100% knows English, German or French (except Bulgaria). In Romania the percentage is 150%, bigger then in the European Union countries where the percentage is 140%. If it is taking into account also the Russian language as a international language then the percentage is definitely in favour of developed countries. Based on other statistics, the less developed countries record high percentage of the foreign language training as well. This aria of knowledge increases the liberty of the labor to travel around the world and offers better opportunities to the employers and employee on the international labor market.

The actual stage of the cognition process has an evolution as follows<sup>4</sup>:

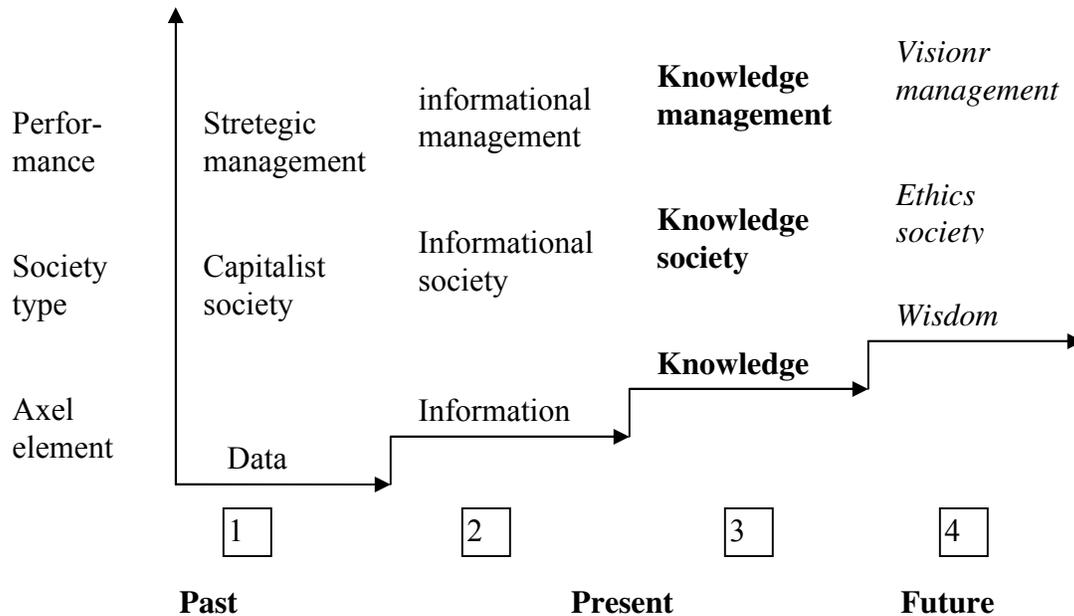
### DATA – INFORMATION – KNOWLEDGE – WISDOM

Defined as:

- **Information** = description, defining, perspective
- **Knowledge** = strategy, practice, method, approach
- **Wisdom** = principles, visions, ethics.

We can present the structural levels of the society in the past and what we expect to take place in the future, structured on the levels:

- axel element
- society type
- performance pointer.



Informational society and knowledge society are crossing, at this moment, confluence time when the new form is replacing the old one.

<sup>3</sup> Business Central Europe, The Economist Newspaper Limited, Viena, iunie 2001, pg. 59.

<sup>4</sup> I. Dumitrache, R.Munteanu, A.Curaj, M.Apetroae – Către o societate bazată pe cunoaștere, Editura Mediamira, Cluj-Napoca, 2002, pg.15-16

This is the reason of our concerns on the identification, crystalising and structuring the levels of performance on the knowledge society, represented by the **knowledge management**.

“Așadar, managementul este ceea ce tradiția numea artă liberală – «liberală», pentru că se referă la principiile de bază ale cunoașterii de sine, la înțelepciune și la capacitatea de a conduce; «artă», pentru că înseamnă practică și aplicare. Managerii apelează la toate cunoștințele și subtilitățile științelor socio-umane – psihologie și filozofie, economie și istorie, chimie, fizică, astronomie și etică. Dar ei trebuie să îndrepte această cunoaștere asupra eficacității și a rezultatelor - asupra vindecării unui pacient bolnav, asupra instruirii unui student, asupra construirii unui pod, asupra proiectării și vânzării unui program informatic.<sup>5</sup>” (So, management is what the tradition calls liberal art – „liberal” because it refers to the basic principles of self knowledge, to the wisdom and leading abilities; „art” because it means practice and implementation. Managers are using all knowledge and overtones of the social-human sciences – psychology and philosophy, economy and history, chemistry, physics, astronomy and ethics. But they must direct this knowledge to the efficacy and results – to recover a sick person, to educate a student, to build a bridge, to design and sell software).

Knowledge management will represent the “liberal art” used to value the individual knowledge, placed as element on a network with multiple access. In this way, the individual knowledge will be accessible to more than one organization and the individual will not belong (as employee) to any organization. On the other hand it will appear **system integrators and knowledge managers** with the role of setting the networks, establish the best correlation between the position, individual and organization able to conduct to maximum of performance and efficiency of the organization.

At the same time, each individual will have knowledge about time management, education management and will have the ability to acquire a big amount of knowledge in a proper time, to structure them on the complexity levels system. The manner of the individual to value his one knowledge will be the fundamental pointer of his position on the future labor market.

In the presented structure of the society evolution, the first and second level are already know and crossed, the third one is highly likely according with the latest discussions and opinions, but the fourth level is a provocative subject.

There are certain question the specialists should find the right answers:

1. The knowledge society will be the near future society?
2. Knowledge management will replace the informational management or it will complete the managerial structure?
3. Is the education system ready to train the future specialist request by the knowledge society?
4. The knowledge managers will be a new type of professionals able to organize and coordinate the implementation of the group knowledge to practice?
5. Visionary management and ethics society will be a structure where each one will have the wisdom to do what he is able to do best aiming to protect and develop him self, taking care of the humanity as a whole?

We are responsible for designing the new structure of educational system capable to offer the best solutions. First step is to project at a global level the perspectives of the human society and the profiles of the future managers able to achieve the strategic objectives.

### **Local changes – education management & business management**

Romania, as well as other countries from the East Europe, is crossing a transition period, due to the political changes from 90's years. At the same time there are fundamental modifications in all socio-economic areas. One of the most important domains is the education sector, at all his levels but especially at the academic ones.

The first step of the redesigning process of the education management was the appearance of the private sector of education especially at the academic and post academic level. The

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<sup>5</sup> Peter F. Drucker – Realitățile lumii de mâine, Editura Teora, București, 1999, pg. 222-223

restriction from the past period, generate a decreased demand for technical education and an over dimensioned demand for economics, lows and medical studies.

The private sector and subsequent the state one, develop large educational capacities on this field, capable to absorb all the interested in education individuals.

Unfortunately no quality barriers where settled and the next phenomena rise where:

- low interest in education process;
- low attendance to the training process;
- low quality of final results;
- excess of qualified personnel;
- lack of unqualified labor;
- high wages expectations;
- social and labor conflicts.

On the other hand the education process was designed as a business process. The pointers and the indicators was the number of the payable individuals enrolled.

Between education management and business management, in our opinion must be a strong link. The connections between the academic life and business environment could be considered as fundamental issue of the economic development, linkage of the national values to the Europeans, integration facilitator.

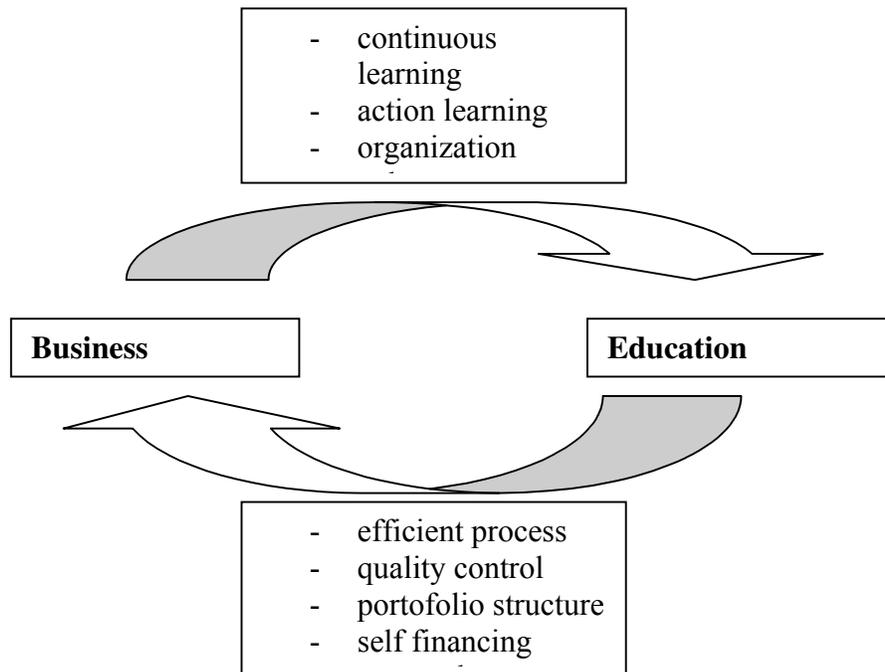
From this point of view the education management has a very important role and it has to be related to the expectation of the business environment. To be able to offer the best product for on the labor market, the academic management has to be designed according with the business management principles.

If we structure the objectives of the business management and education management at the firs site there are no connection:

<b>Business management</b>	<b>Education management</b>
Make profit	Assure the qualified labor
Develop the business	Transfer and accumulation of cultural values
Satisfy the clients	Develop a research structure
Satisfy the employee	Self financial sustain
Create a proper climate in organization	

Deeply inside of these objectives are the ruts of the links able to make them function together.

The first connection is that the two ways direct connection able to transform one to another in certain approaches of the problems:



Any organization can ask the employee to self improve their knowledge to be all the time in line with the new techniques or research discoveries related to the job profile.

All the actions inside the organization and also on the specific market are building as an experience background and contribute to the self improvement process.

If the organization is designing his one culture, it became an educational cell capable to educate all the individuals on the principles of the organization. The new members will cross an integration process, during it they will be acquainted with culture and they have to get hold of it or to live the organization. At the same time the old members are checking up the compatibility of the new member with the organization and they accept or reject it.

Promotion and motivation system can offer sufficient reasons to the individual to look for a high knowledge level and continuous education process involvement.

The education management face with business challenges because it has to respond to the marker demand and to create a proper offer, including a large, adjustive education products. The quality management principles are compulsory for education sector. The low quality will be hardly penalized by the market and it will affect the institution image.

The institutional image of an education organization is created after a long period of time fill with a long graduates list of references. This is the practice validation of the education process quality.

Self financing system is very challenging but represents the biggest threats to face with. The nipper consist on the wages necessities and quality control. If the main source of finance is the fees, the excessive severe examination can discourage a significant number of candidates, also a low aspiration of knowledge accumulation has impact of the quality but can attract certain candidates.

The optimization of these elements and also the building of a financing system able to provide stability and professional independence is the most important structural problem.

The business environment was forced to accept and implement the market economy fundamentals to survive under the new conditions. The orientation of the business to the European Union is shown by the trends of the exports and imports which significantly increased in the last years. New questions arise from the future evolution taking into account the enlargement of the European Union and the Romanian integration expected for 2007.

In our opinion the educational and academic sector passed the first evolution step represented by the apparition and development of the private sector and the connection with the European and international similar institutions. These two directions open a new window for changing ideas and organizing the education sector on a new basis.

The enlargement process of the European Union will make the education management face with new challenges. We consider that a cybernetic approach of the linkage between education management and business management could offer a viable solution for both sectors and socio-economic development.

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