

Challenges and Reforms in the Hungarian Management Education

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Abstract: The motivation of the new Higher Education Law is to help the adjustment of the higher education institutions to the Bologna Process. The first part of my paper describes those developments of the last decade which form the basis of the new measures. In the second and third part I deal with the most important characteristics of the two-cycle management education, and finally I will list a few open questions.

Keywords: higher education, Bologna Process, two-cycle system, management education

1. Background

"One of the greatest challenges to the Hungarian higher education that is of strategic importance is the active participation in the formation of the European Area of Higher Education" – as it declared in the first paragraph of the Hungarian National Report on the implementation of the Bologna Declaration [1]. Before talking about the recent situation and the future tasks of the management education in Hungary, I will draw a few facts on the trends of the past decade.

The most characteristic feature of the Hungarian higher education was a dramatic increase in the number of students. *Table 1* shows that between 1990 and 2001 the number of students increased significantly, from 101 thousand to 298 thousand. At the same time the number of lecturers has increased from 16 thousand to 21 thousand. Comparing these two data it is apparent that the number of students per lecturer has increased from 6 to 14 (see *Table 2*): this ratio corresponds to the similar values of the EU.

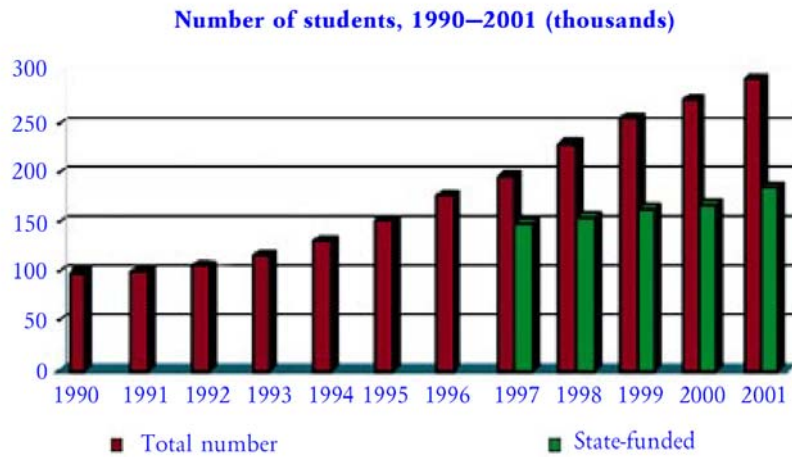


Table 1

Ratio of number of teaching staff members and students/number of teaching staff

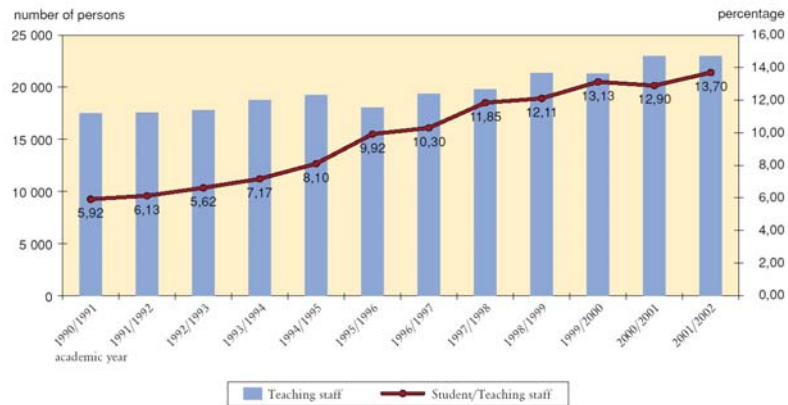


Table 2

The Hungarian higher education has moved from an elite-type education to a mass education. The advantages of that situation can be described with the following terms:

- availability,
- equal opportunity,
- cost-efficiency.

On the other hand we can list the drawbacks of the mass education as follows:

- lower quality,
- higher burden on the state budget.

The budgetary support of the higher education is about 1% of the GDP, as it can be seen in *Table 3*. It is less than the average of the EU countries, however, in the recent position of the Hungarian economy we do not expect a significant increase. The major characteristics of the budgetary support can be described with a

- low GDP proportion,
- decreasing value in real terms, and
- largely inefficient distribution system.

Statistics of budgetary support in the period of 1998–2001 (factual data)

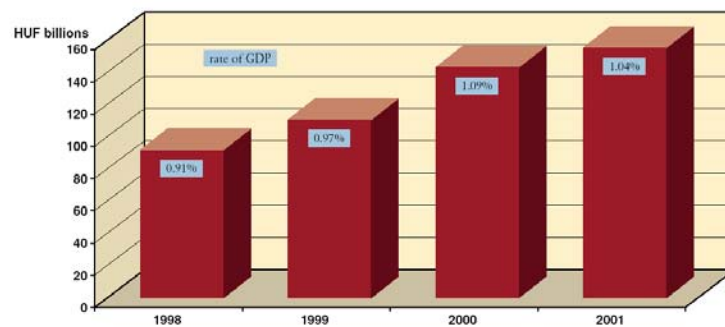


Table 3

What are the main achievements of the last decade?

Until the year of 2000 the Hungarian higher education system was very fragmented with a large number of specialized colleges and universities. The so-called integration process has formed 18 state universities and 12 state colleges – the number of state institutions was reduced from 55 to 30. At the same time new private institutions have emerged: in 2002 the number of church-owned colleges was 26, and there were 9 foundation colleges (all of them in the area of management education). The existence of private institutions is important from the point of view in competition for the students.

The last decade has brought significant changes in the curricula (mostly in social sciences) in the framework of various programmes supported by the European Union: TEMPUS, CEEPUS, Leonardo, Socrates, etc. ECTS has been introduced by the force of the law. The introduction of an ECTS based system of credit can facilitate student mobility and the recognition of period of studies pursued in

Hungary from different countries. The quality of the study programmes is supervised by the Hungarian Accreditation Committee, which was established in 1991.

One of the most important measures of the new Higher Education Law in 1993 was to give back the right of awarding a doctoral degree (PhD) to the universities. New doctoral schools were established and they have been working successfully.

2. The Bologna process

The objective of the Ministry of Education is to establish a course structure that will respond to the changing demands of the labour market, meet social expectations and follow the principles of the Bologna Process [1]. In order to achieve this goal the present dual educational system should be gradually dissolved and a sequence of Bachelor and Master degrees built on each other should be created. According to the plans by September 2006 only the new type of first cycle programs should be launched .

In the two-cycle system the Bachelor study programmes will have two objectives: to qualify to the labour market and to prepare to further studies in the second cycle. Hence the first cycle programmes will contain at least 180 credits (3 years of study) leading to a degree and a professional qualification. The successful completion of the first cycle is a prerequisite of applying for entering the second cycle. The Master programmes will contain 90-120 credits.

Both cycles are part of a lifelong learning education supported by the credit system.

The number of the areas of study in the first cycle (input) will be set at 12-15 while the number of the branches of study (output) would be around 100.

3. The future of the Hungarian management education

Business and management studies are very popular in the transition period in Hungary. The market economy needs professionals in the field of marketing, corporate finance, business economics, production management, human resource management, etc. *Table 4* shows the distribution of study fields in the academic year 1990/1991 and 2000/2001. We can see that some traditional areas of study have the same ratio in both years (engineering, agriculture, science), there are areas with decreasing interest (eg. health) and the big "winners" are economics, business and law.

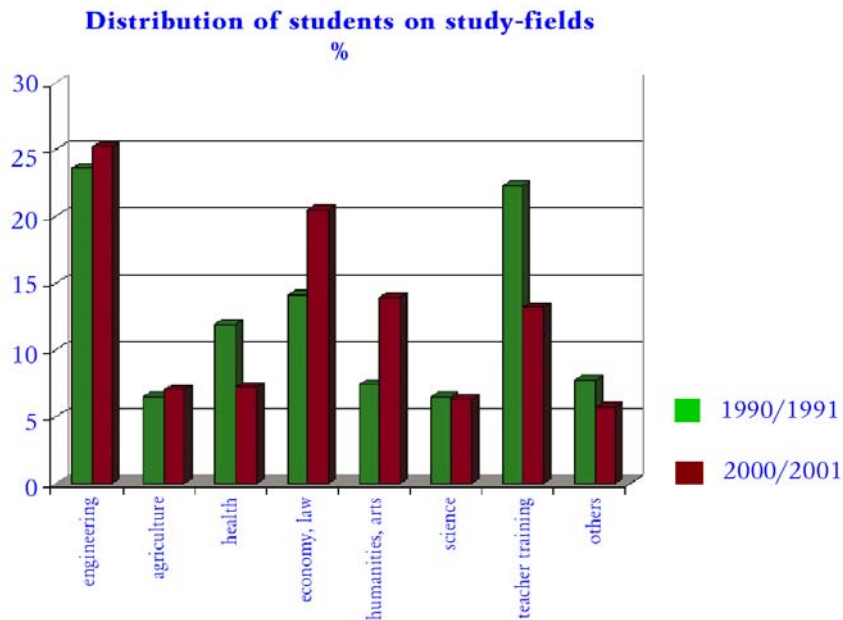


Table 4

(The source of Table 1 – Table 4 is [2].)

Based on the Bologna principles (see eg. [3], [4]) the Council of Business Deans has made some recommendations. They declared that the first cycle should contain 6 branches of study leading to a Bachelor degree. Those programmes are as follows:

- Business and Management
- Finance and Accounting
- International Business
- Human Resource Management
- Commerce and Marketing
- Tourism

The major objectives of the management education are:

- quality education in both cycles,
- Master programmes should receive students from related fields of study,
- avoiding extra financing needs.

The structure of management education should follow a scheme similar to *Table 5*.

In the first cycle the study programmes should contain 180 or 210 credits depending on the necessity of a separated practice-oriented semester to be spent in a company. In a few areas (finance, tourism) it is extremely important to have that additional semester. Financing is a special issue – different solutions can be elaborated.

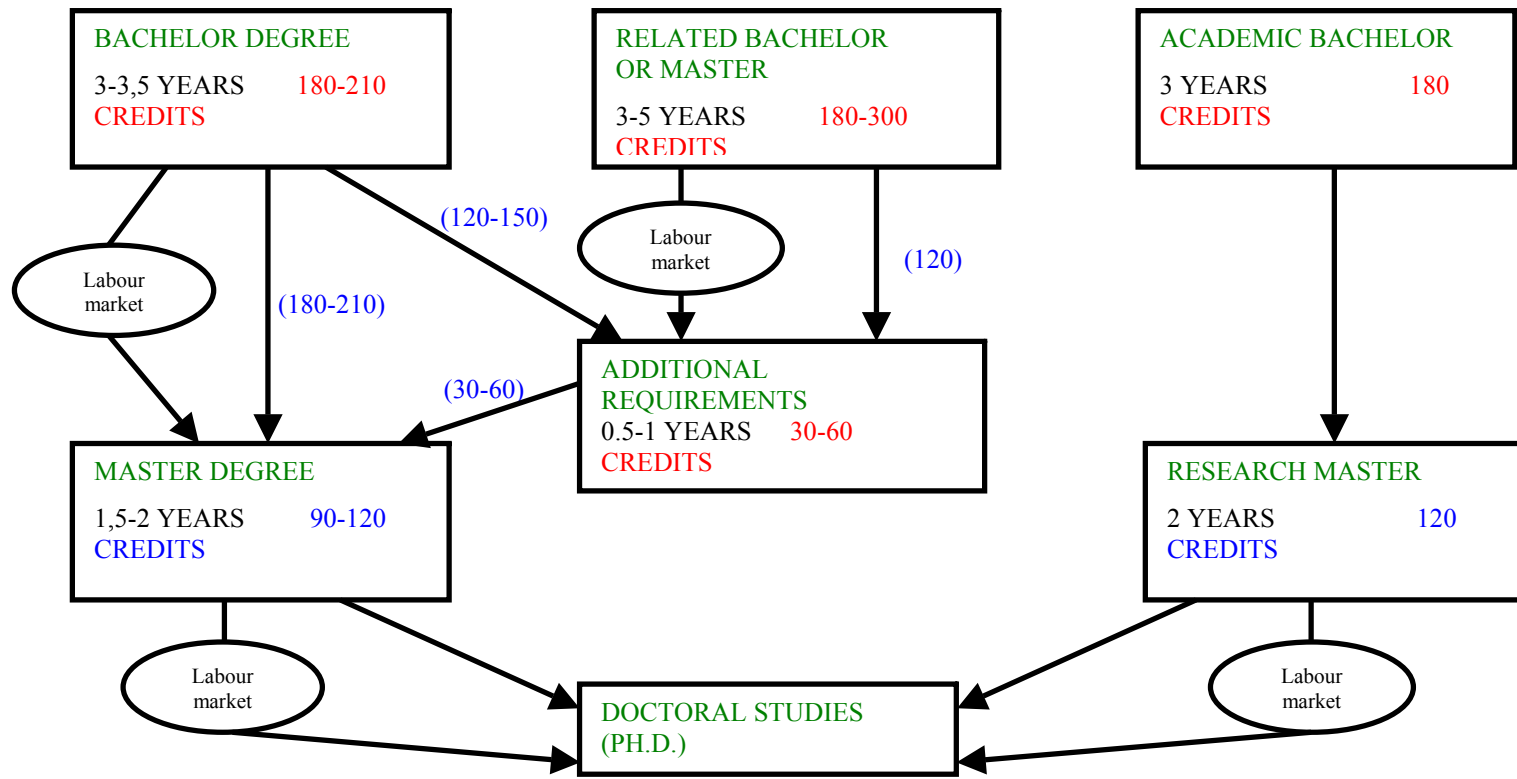
In the second cycle the main rule is that the programme should contain 120 credits. However, there is a need for programmes with less credit (an international Joint Master Programme can contain 90 credits), and for programmes with more credits (for those students who come from a related area having less credits in the field of economics and business: they will need extra credits from these study-areas).

There should be a path for those students who want to pursue research in economics and/or business. A research-oriented Bachelor programme is strongly recommended with a direct link to a research Master programme – possibly followed by a PhD study.

A flexible system of Bachelor and Master programmes is needed. Most of the Master programmes should be open for the majority of graduates in a business (or economics) Bachelor programme without the requirement of additional credits. This condition requires a very careful design of the Bachelor programmes referring to the theoretical basics of a Master

programme. At the same time the Master programme should have a smooth transition from the Bachelor programmes providing some intermediate economics/business courses in the first and second semester.

Finally the Master programmes should be open for graduates of related study areas (Psychology, Sociology, Communication, etc) with additional credit requirements. Executive programmes (MBA) can be offered for engineers, lawyers, medical doctors: those programmes will have a very strong practice-oriented character and the academic content is less relevant.



4. Open questions

At the moment the legal and conceptual framework of the Hungarian higher education as a whole, and the management education as part of the higher education, have open questions in a few important areas. A short list of these questions is as follows:

- the role of government (distribution of students, financing both cycles),
- the meaning of institutional autonomy,
- the rules and requirements of offering Master programmes (is it open for all institutions or not, what is the role of the Hungarian Accreditation Committee),
- recognition of degrees obtained in programmes developed in international collaboration (Joint Master Degrees, EU Pass),
- what is the relationship between the Higher Education Law and other elements of the legal environment (avoiding contradictory regulations).

References

[1] National Report on the Implementation on the Objectives of the Bologna Declaration in Hungary, Budapest, July 2003 (www.om.hu)

[2] Higher Education in Hungary. Heading for the Third Millennium, Ministry of Education, 2002. (www.om.hu)

[3] Temesi József: Bologna-folyamat a felsőoktatásban. Nemzeti jelentések és a Berliini Kommuniké, *Társadalom és Gazdaság*, 2003/2, 287-328pp.

[4] www.bologna-berlin2003.de