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# MODELS OF POSTGRADUATE BUSINESS EDUCATION IN FOREIGN COUNTRIES

The paper deals with the preconditions and the necessity to study foreign experience to develop a good system of business education. The main trends in business education in the global context of educational processes are determined. The model of contemporary business education in foreign countries and their effective application are analyzed.

Keywords: business education; education models; MBA; business school; university.

## Агіпа Монобаєва МОДЕЛІ ПІСЛЯВУЗІВСЬКОЇ БІЗНЕС-ОСВІТИ В ЗАРУБІЖНИХ КРАЇНАХ

У статті розглянуто передумови та необхідність дослідження зарубіжного досвіду з метою формування якісної системи бізнес-освіти. Визначено основні тенденції розвитку бізнес-освіти в контексті глобалізації освітніх процесів. Проаналізовано моделі реалізації сучасної бізнес-освіти в зарубіжних країнах та ефективність їх застосування.

**Ключові слова:** бізнес-освіта; моделі освіти; MBA; бізнес-школа; університет. **Табл. 2. Літ. 12.** 

## Агипа Монобаева МОДЕЛИ ПОСЛЕВУЗОВСКОГО БИЗНЕС-ОБРАЗОВАНИЯ В ЗАРУБЕЖНЫХ СТРАНАХ

В статье рассмотрены предпосылки и необходимость исследования зарубежного опыта с целью формирования качественной системы бизнес-образования. Определены основные тенденции развития бизнес-образования в контексте глобализации образовательных процессов. Проанализированы модели реализации современного бизнес-образования в зарубежных странах и эффективность их применения.

**Ключевые слова:** бизнес-образование; модели образования; МВА; бизнес-школа; университет.

**Problem statement.** In the Proclamation of the President of the Republic of Kazakhstan "The Strategy "Kazakhstan-2050": a new policy that has taken place" it is indicated that knowledge and professional skills are the key guidelines of todays education, personnel training and retraining in the Republic of Kazakhstan. As a result, the State implemente a program of education aimed at radical modernization of all levels of education, from preschool to higher education (The Proclamation..., 14.02.2012). In the State program of forced industrial-innovative development of Kazakhstan for 2010–2014 it is indicated that further successful development of professional education in its transition to international standards will be put into practice by means of the legislation development, which strengthens professional responsibility of companies in professional education of youth and training of Kazakh personnel, cooperation with social partners through their involvement in trainings, the joint use of training centers in training of Kazakh personnel (State Programme..., 19.03.2010). Thus, one of the most important elements of industrial and innovative development is the field of education, including business education. Business education plays a special role because on the one hand, the competitiveness of business and

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economy in general depends on the training and qualifications of personnel. On the other hand, obtaining business education is a major investment in human capital. Under such circumstances there is a need to study foreign experience in building high-quality systems of business education.

Latest research and publications analysis. Methodological problems of establishing contemporary business education and features of the introduction of Western models of business education were analyzed in the works by S. Filonovych (2004), O. Lide (2011), D. Tyhonov and M. Hazin (not date), H. Tarasyuk (2012), L. Kashuk (2012), L. Yevenko (not date), B. May (2011), A. Seferyan (2011), P. Bau (1994), W. Baumol (2004) and many others. The International Association of Business Schools (AACSB), European Foundation for Management Development (EFMD), Management Development Association (CEEMAN) in Central and East Europe pay great attention to improving the quality of business education, the first two associations directly develop and implement standards for the US and European business schools.

However, in scientific literature the issue of market formation and development of business education is studied sufficiently. The process of granting and implementation of services in business education requires the research and development of certain criteria, standards and development concepts. The realization of these tasks may contribute to significant international experience, but it requires redefining and adaptation for the use at the national level in the view of globalization and integration of Kazakh education into the global educational space.

**Formulation of the objectives.** The objective of this article is to determine the current models of business education in foreign countries. To achieve this objective it is necessary to identify the existing models of business education and explore their characteristics and efficacy of application in terms of globalization of world educational space.

The main results of the research. Traditionally, the concept of "business education" is understood as programs of further education, the top of which are MBA programs. Classic understanding of MBA (Master of Business Administration) is a specialized postgraduate training for managers of the highest qualifications. The concept of business education is much broader and may be defined as "business education is the educational activities aimed at forming and development of students' managerial skills (practically relevant knowledge and professional skills) required for the effective management of business organizations which operate at a competitive market and within global economy" (Filonovych, 2004).

Business education in addition to economic issues, includes the questions which from the scientific view point is the subject of sociology, psychology, computer science and other non-economic sciences, however successfully used in the management of enterprises and business organizations (Lide, 2011). For this reason, business education is defined as an interdisciplinary area of educational activities. An important feature here is the pragmatic orientation, which suggests that the achievement of objectives, which in principle face business education, are realized not only through educational programs and by educational institutions, but also on the basis of practical activities of people who occupy management positions or perform management functions.

In this regard, the contents of contemporary business education reflects its 3 main objectives:

- transfering knowledge of basic sciences and scientific disciplines related to the implementation of various management functions;
- developing management skills and ability to make decisions, negotiate, manage staff and others;
- formation of personal traits, social life skills and manager's outlook (Tarasyuk, 2012).

In the field of business education which is rapidly developed in the world and is becoming more international, there are two basic models: German and American. Both demonstrate their success within market economy and, as recent studies have shown, are the prototypes of building business education system in other countries with some assumptions. Their essence is the following.

"Traditional" (Continental European or German) model, which can be called "qualified supervisor" is based on a clear division of higher professional education in engineering, economic, human sciences in universities, polytechnical and other institutions on the one hand, and personnel training in business and management in the system of further (postgraduate) education, on the other.

In this model there is the most constructive widespread separation of management education "without experience" (pre-experience management education) and "after experience" (post-experience management education) depending on the practical experience in the field of management of a person who studies: in the first case — one does not have any experience, in the second case the person is already in a position of a manager. Management education "without experience" includes a variety of European programs of initial vocational training and secondary professional education (vocational education), compared with widespread in CIS vocational schools or technical school on service, administrative, accounting and other issues which give the profession, but not a diploma. But the main activity in business education "without experience" in European countries is above all full-time higher professional education, in the process of which students seriously study law, economics, engineering and sciences in parallel with accounting, marketing, organizational behavior or computer science for business operations. This is done mainly on scientific rather than on the applied level. Management education "after experience" in the model of "qualified supervisor" actually consists of regular participation of managers and other practitioners with higher or secondary special education in special short-term and medium-term training programs that focus on specific issues of management. Such programs are widespread not only in Germany but also in other countries. "Traditional" model, typical for Germany, is also used in Austria, Belgium, Finland and some other countries. Also, certain features of this model with regard to its "in-house" specificity are typical to Japan (Tarasyuk, 2012).

"New" (American) model, called "the professional manager" is based on the creation of business schools as major centers of education and researches in business and management. They have various programs for students after high school, and people with higher education in any field who have already practical experience. Within this model relevant training centers also use various training programs of managers' qualification extension regardless the fact whether they have finished business school or

not. The variety of the existing programs allows studying at different levels and in different directions. The leading role in the United States is played by graduate business schools, which have all kinds of business education programs: four-year bachelor program; two-year MBA program; annual specialized master programs; three-year (or more) PhD programs, and manager development programs. "New" model, except the United States, is present in the UK, Denmark, Norway, Cyprus. Such business schools are also present the East, in China and India.

However, most European countries, such as Spain, Italy, the Netherlands, France use the "mixed" model, which is the "traditional" (westernized) and "new" (americanized) sectors of business education, and, therefore, different types of educational institutions (universities, business schools, training institutes etc.), which in various forms teach people business and management, operating in parallel and highly interconnected.

Among American business schools we can mention here (according to the global ratings of FT.com, Forbes.com, Businessweek.com): Stanford University GSB, Harvard Business School, University of Pennsylvania: Wharton, Columbia Business School, Chicago GSB, Northwestern University (Kellog), MIT Sloan, University of Michigan (Ross) and others.

As for European business schools, among them the leaders are (according to FT.com): HEC Paris (France), London Business School (Great Britain), IMD (Switzerland), Instituto de Empresa (Spain), INSEAD (France/Singapore) and others. (Tarasyuk, 2012).

In the Republic of Kazakhstan (RK), as in other CIS countries, after a long period of application of the model of purely economic education of "Marxist" type since the mid 1960s they began to develop management education through the programs of higher professional education in the specialty "Management" in state universities, as well as create training institutes (mainly sectoral) for the smooth implementation of short-term programs for updating the knowledge and skills of already working executives and professionals. In fact, this model is similar to the German one in management education.

In the post-perestroika period the Republic of Kazakhstan faced the phenomenon of the rapid growth of new specializations, including private educational institutions establishment in the field of business and management. Some of them have already possessed the traits of business schools. At the present stage the market of business education in Kazakhstan is relatively developed, there are business schools and higher education institutions (International Business Academy, KIMEP University, UIB, IBS and others), which have international accreditation. The public recognition of MBA (American model) as the highest form of training professional managers, marked a new stage in the development and strengthening of Kazakhstan's business schools. However, the structure and the form of trainings are inadequate to the changes in the demand for professional labor force. There is an imbalance between vocational training and higher education. The structure of higher and postgraduate education of the Republic of Kazakhstan corresponds to international standard classification of education by UNESCO. Three-tier model of training was introduced: Bachelor - Master - Doctor of PhD (Kashuk, 2012). Personnel training is implemented in 139 higher educational institutions of the Republic with

the total number of 571,691 persons involved in 199 programs of higher and post-graduate education. Higher education works on the development of its innovation infrastructure, creating various scientific and innovation centers, technoparks, which are the link between education, science and industry.

The above features of the basic models of business education in foreign countries should be generalized (Table 1).

Table 1. The main models of business education in foreign countries

Name of business		Features
education model	distribution	
"Traditional" (Continental European or German) model	Germany,	Higher professional education is obtained in universities or
	Austria,	institutes, personnel training in business and management
	Belgium,	takes place in the system of additional (postgraduate)
	Finland, Japan,	education. Depending on the presence or absence of
	Russia,	practical experience in management, management education
	Kazakhstan and	management is divided into pre-experience management
	others	education and post-experience management education.
	US, Britain,	Higher professional education is obtained in business
"New"	Denmark,	schools which are the centers of education and research in
(American)	Norway, Cyprus,	the field of business. The variety of existing programs
model	China, India and	allows studying at different levels and at different
	others	directions.
"Mixed" model	Spain, Italy, the	Combine Americanized and Europeanized sectors of
	Netherlands,	business education. Training takes place in educational
	France and	institutions of various types (universities, business schools,
	others	training institutes etc.), in various forms.

Developed by the author based on (Evenko, no date).

Having examined the characteristics of basic models of business education in foreign countries we can make conclusions on the implementation of mainly two basic models of business schools: the classic existing usually at universities and schools of business type, operating as business units and training entrepreneurs and managers. Comparing these two types of business schools we present the results in Table 2.

Table 2. Comparative characteristics of classical (university) and entrepreneurial business schools

Features	Classical	Entrepreneurial
The nature of school	Scientific	Professional
Organization of teachers' work	Chair	Creative teams of teachers for solving specific educational and consulting tasks (temporary contracts)
Financing	General university budget	Payment of students, loans
Programme level	MBA degree	MBA degree
Aversge graduate	A successful business consultant, analyst, manager	A successful entrepreneur, manager
The nature of teaching	Transfer of knowledge – lectures. Formation of skills – case studies	Formation of business experience – projects, training etc. Minimizing the role of lecturing
Impact of business practices on school activities	Minimal.  Dominance of academic approach.  Occasional invitations to teach special courses	The important role of practicing entrepreneurs teachers

Developed by the author based on (May and Seferyan, 2011).

Based on the data in Table 2, we can make conclusions that the classical school of business type differ from each other. When choosing a particular type of business schools it is necessary to consider the factors that affect the formation and operation

of business education: economic, social, demographic, national, cultural and purely educational. Considering the current tendencies in business education as a basis for the formation of innovation-oriented economy we should:

- make the study processes to be discrete, and continuous in time;
- transfer the development to individual educational trajectories, to the most flexible, "client-oriented" schemes based on credit-modular principle and the competency approach;
  - increase the requirements to quality control in education at all stages.

Globalization makes inevitable for business schools the concurrence at the international market of education, involving the growth of internationalization of MBA programs: increase in the number of foreign students on such programs, as well as the involvement of foreign teachers in training sessions, forming alliances and joint programs with various foreign educational institutions (May, 2007).

Conclusions. Summarizing the above information, we conclude that the international experience of management training at various stages can be useful for Kazakhstan. However, the examined models can not be fully emulated or copied. We should develop and justify the national model of business education and training, taking into account economic, social, cultural and national peculiarities, moral and ethical beliefs, social and economic conditions of the country, the integration processes in international and interregional communities. But we should agree that the awareness of management theories from classical to modern — strategic, innovative and informational management, business environment and market conditions, management practices, human factors, educational needs is a common component in the systems of managers' training for any branch of activity in all countries.

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Стаття надійшла до редакції 26.08.2013.