

Business Education: Concept and Evolution of Development in Knowledge Economy

T.V. Panasenkova and N.V. Przhedetskaya

Doctor of Economics, Associate Professor of Rostov State Economic University

Abstract: Knowledge economy requires a conversion systems business education promotes major restructuring of relations of economic agents and actors in the education market, a change in the established proportions, norms and standards of behavior of economic agents. Established mechanisms of marketing hiring economic agents are changing due to the emergence of new distribution channels resources. In the educational market, the stage and the subsequent bifurcation of self-organization of business education.

Key words: Business education • Knowledge economy • The manager-generalists • Management qualification • Managerial role • The level of management • MBA program

INTRODUCTION

A characteristic feature of the modern system of business education is becoming more active expression of a number of interrelated and interdependent areas of change under the influence of a globalizing economy. Among the main features of the modern economy Y.M.Osipov calls informatization, technologization, denationalization, monopolization and new supranational cognitization.

Of particular importance for the process of acquiring the definition of economic driving forces behind the development of the knowledge economy in the new conditions. Relentless drive to achieve material gain, income, profits, capital increases, cost, progress stands scientists as motives for economic development.

In the current economic system of any country without the development of competences, human capital and innovation-oriented investments cannot provide quality growth because its main driving force acts knowledge economy, suggesting the emergence and expansion of the skills and competencies of individuals.

The main way of business education-work in the open and the mass market in the process of training managers. According to the classical interpretation, management-is the process of setting and achieving goals of the organization through the implementation of management functions with recruitment and use of human, financial, material and information resources.

The concept of management, by definition A. Fayol including special and general management functions. First are the functions of business: technical, commercial, financial, safety and accounting. Usually their classification management in corporations based on the principle triples when there are three main operational functions: research and development-production-marketing, as well as the main staff functions – finance (including adjacent to the financial accounting function, i.e. accounting function).

Areas of responsibility within these functions more differentiation. As examples can be distinguished logistics, operations management, engineering (all sub production), fundamental and applied research, design and development (R & D sub), advertising, marketing, management of trademarks, PR (sub marketing), budgeting, financial control, corporate audit (sub Finance), entrepreneurship, international operations, innovation, quality management and others with an integrated character [1].

They are all different facets of the actual economic activity undertaken in the course of business, differing, however, the functions of engineering, technology, transport, energy, etc. This means that educational programs in business should include in-depth study of business functions implemented administrative and managerial staff corporations, including persons holding it responsible managerial positions.

Manager-generalists (general manager), or a professional in the field of general management—a person who can provide leadership organization as a whole, i.e. hold the office of president, CEO, Executive Director, Branch Manager, etc.

Specialists such level must, first, have the knowledge and skills across functions and business administration (finance, marketing, operations management, human resource management, etc.) and secondly, to be able to integrate them in terms of the goals and interests of the organization as a whole. Therefore, training in general management includes the study of organizational integration of disciplines, such as change management, quality management, etc.

The higher up positions in the administrative hierarchy trained people, the greater the value of such integration disciplines such as business policy, strategic management, crisis management, international business, etc., where each course, at a certain originality, is cross-functional. Third, the manager-generalists, like any other manager must know and understand the business environment or organizational context in which the control function, which is associated with the study of the economic, legal and often sociological, political, regional studies, cross-cultural, psychological and other disciplines.

Preparation of functional managers (functional manager), who also want to firms and businesses, provides more in-depth study of the activity on individual business functions or administrative functions. In this capacity, business education is a form of training governing the production, financial managers, accountants, marketers, managers HR (human resources-human resource management, HRM), logistics specialists, economic cybernetics, information systems management (at the junction of the technical and management disciplines) etc.

An important aspect of the impact of corporations on business education is their industry affiliation. This means that an effective manager must be familiar with the control object. In the past, management education is not separated from the economic this has led to the emergence of a set of engineering and economics.

In modern conditions, we can talk about in-depth management training people who already have a higher education in engineering or other professional education and the study of management with a clean slate with

the addition of a major industrial components such as: management in construction, hospitality, management of financial institutions, transport management and t. §

This is one way of approaching management education to practice, to determine as early as the 1930s and existing to date. However, in the present conditions of business education prefers to be adaptive and allow selection of disciplines and industry specialization is a learning process.

Special sphere of business education—programs focused on the needs of individual companies and enterprises. There are many concepts of corporate business education programs, from training and consulting, business schools implemented on the territory of corporations to create stationary corporate universities, which are now in the world for several thousand. Currently, requirements of modern enterprises and organizations affect the content, forms and methods of specific training programs.

Individual managers are the second category of consumers of business education, perhaps even bigger than corporations because they include not only people who are already working in management positions, but also students or students who have prepared themselves for a career manager. In assessing the quality of schools of business, determining their rankings, the contribution of business education in individual career managers and beginners, mature and generally considered the main criterion. He is given a higher priority than, for example, the scientific level of business education, the educational process, the quality of professors, etc.

Requirements from managers affect the content of business education in two ways: based on the specific positions related to the implementation of the administrative function and on the basis of the qualities necessary for a person to work effectively in management positions.

Among the characteristics of the activity of the head, obtained based on the concept of marketing management, management skills can be identified [2], managerial roles [3], the level of control (management practices) (Figure 1).

Management skills, in turn, has three aspects. Technical skills usually associated with the development of specific methods, tools, processes, related to the specific business area manager. For example, knowledge of methods of financial analysis in the case of

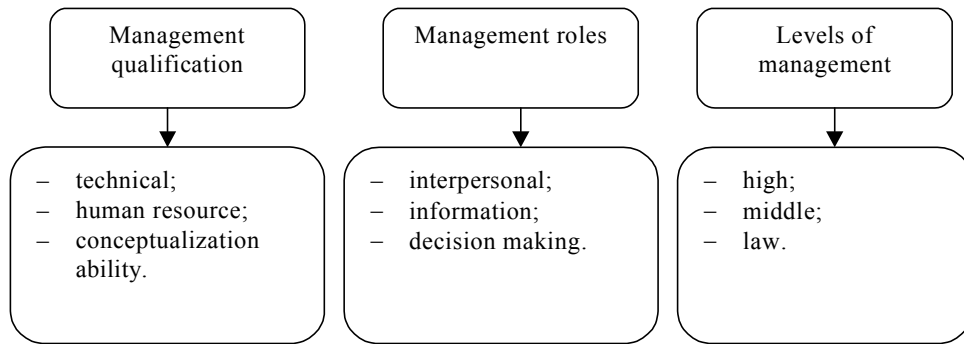


Fig. 1: The main characteristics of manager activity

financial management, accounting methods when working on the implementation of the function ACCOUNTING, project management in the management of innovation, sociological methods in personnel management, etc.

Qualifications in the field of human relations involves the development of abilities to communicate effectively with people, work in groups, the art of negotiation, motivating people, effective leadership, presentation skills, etc. Conceptual skills-the mental ability to push and transform ideas at a conceptual, abstract level in relation to the specifics of managerial work.

This involves understanding the fundamentals of management, review the organization as a whole, the acquisition of skills for effective coordination and control, the ability to work with information, the ability to identify problems, generate and evaluate alternative solutions, knowledge of methods of analysis and decision-making, system approach to management, etc.

According to the classification of managerial roles in the organization manager performs interpersonal roles, including representation, leadership, communication in a system of formal and informal relations in the organization and the other, the role of information, which provide activities for information retrieval, transfer it to various departments and individuals, expression of ideas and messages external organizations and individuals involved in the management of the organization; role in decision-making, providing activities entrepreneur, resource allocator, negotiator, etc.

Significant impact on the requirements for the training of managers, has a position of managers in organizations. Belonging to senior management (top management) and large corporations emit more and higher corporate-wide control link (corporate managers), requires more attention to activities aimed at the

environment and the organization as a whole in an environment where a person involved in the educational programs, is already at a very high level of knowledge, skills and development.

Belonging to middle managers usually associated with deep technical aspects of management development within individual functions as methods of administrative work [4]. Belonging to the grass-roots level managers (first-line managers or supervisors) usually involves the development of basic knowledge in the field of management, especially in the field of human relations, as well as the organization of routine management processes.

Graduates and business schools usually ready to take to the middle management positions. At grassroots positions often give beginners or push engineers capable of working who need management training, while senior managers, have already passed a big career in management, need to expand horizons and an integrated approach to solving problems in training programs for more clearly defined problems that do not require long distraction from work and ensuring speedy most effective return on the time spent on education.

Currently, the first business schools for over 100 years, but the school of business in the modern sense of actually developing with 60s. XX century. For a long time well established business education in virtually all countries, especially in Europe, has been focused on training for the acquisition of a new “technical” qualifications (vocational training). This kind of education, on the one hand, it was not prestigious and on the other-was considered unnecessary for the business and completely incomparable with higher education.

For example, in the U.S. in the 1930s businessmen are not particularly advertise that they have a higher education degree, as it could even adversely affect their

business reputation (in terms of reliability, etc.). At the end of the 1950s there appeared reports on the study of the practice of business schools, containing harsh criticism against them. Noted, in particular, that they build their curricula based on learning or commercial or accounting functions, or descriptive approach, referring mainly to past experience (the case method, which came from the practice of law, considered at that time the most efficient) and ignoring scientific achievements in the field of management.

This period coincided with the rapid development of science management (management science) or Operations Research (operations research), economic-mathematical methods that really represented a breakthrough in the field of science analysis and decision support, often surprising efficiency confirmed mathematical calculations in a number of management situations [5]. Besides the jump made and behavioral sciences (sociology, social psychology, general psychology, etc.), to deepen knowledge about the patterns of behavior of economic agents and consumers, expanded production toolkit of skills required managers.

Accumulated scientific nature and potential in the field of finance, marketing, international business, where many generalizations acquired level of scientific theories and methods allowed to produce more sophisticated analysis of practically important problems. That is why at the turn of the 1960s American business schools was revised curricula toward improving their scientific level, originated scientific paradigm of business education.

Contributed to this rather rigorous standards for accreditation of business schools adopted the American Association of Collegiate Schools of Business (AACSB), mandating the teaching of a specific set of business disciplines (including quantitative methods and organizational behavior) along a well-defined subject of a scientific nature.

It should be noted that at this time originated standard MBA programs, deserving the name “canonical”, which focused primarily on in-depth study of business functions (finance, marketing, production management, the actual administrative work).

To implement this approach to training and retraining of specialists in various fields of knowledge required, above all, skilled, well-trained in the scientific sense faculty, distributed by departments, business schools play in the main role. This is difficult enough organized approach from the standpoint of ensuring academic institutions began to adopt the major Western European countries (UK, France, Spain, etc.).

It was in the 1960s there began to emerge for new types of educational institutions of Europe is Business School akademization by American type. However, subsequently the European centers of business education refused outright copying American samples [6]. Many European business schools went on his way, focusing in primarily on the training of managers, practitioners, strengthening ties with the business and substantially curtailing scientific research conducted in business schools.

Paradigms of business education development

<i>Paradigms</i>			
	Scientific	System	Network
Corporation	Sci-controlled	Public	Knowledgeable
Period of dominance	60-70-ies of XX century.	80-90-ies of XX century.	Beginning of XXI century.
Critics	Orientation on “employment” descriptiveness in education, look at the past	Overestimation of the role of analytical methods (financial and other), the gap between the realities of business (“ivory tower”)	The growing gap between the demands of the business world and the formation of non-use of new information technologies and “virtual” forms of education
Precursors	Leap in the development of science (mathematical economics, organizational behavior)	Jump in the variability of the environment, strategies and structures of organizations	Leap in the development of information technology and knowledge management
Incentive	Rethinking manager	Rethinking corporations	Rethinking the business school
Conceptual change	Learning Content	Relationship with the object of study (corporation, individual)	The learning process
Object	Quantitative methods	Exchange-integrativy (strategic management, business planning, etc.)	Transition: - From passive learning to solve real business problems; - From standardized to the individual; - From a discrete time and space to a continuous

The most widespread of the MBA program, designed to prepare managers generalists received in the U.S., where the economy needed more practice with wide and deep enough expertise across all business functions, besides having also good preparation in the field of management of organizations.

Note that it is in the 60- 70s. The twentieth century. dramatically increased the need for professionally trained managers, generalists as expanded diversification strategies of U.S. corporations increased their sizes, organizational structures were established throughout autonomous offices, demanding a wide profile executives (CEO, COO, etc.) and inside the compartment it was necessary to ensure the system performance of all business functions. That is why the number of graduates of MBA programs in American education has increased from a few thousand to tens and possession of such qualifications (MBA) has been considered the gold start in life.

But by the early 1980s. American management experts have developed a pretty strong criticism of this kind of “scientific” training managers. Found that having a good knowledge of scientific management managers with an MBA in many cases were not able to see the changes taking place in the real world of business, as well as to develop and implement new strategies.

Consequences have become frequent recessions, inflation, inadequate response to the energy crisis, the loss in the Japanese and Western European competition goods etc. In the economic literature cited numerous scientific evidence of the ineffectiveness of the management and an overestimate of the role of analytical methods (e.g., spotless financial justification of certain decisions actually led the company to bankruptcy). Leitmotif criticism of business schools began their detachment from reality and lack of practical skills managers.

Objective reason for such phenomena was really sharp increase in the variability of the environment, require timely and adequate strategic and structural changes that could not be justified with the help of scientific methods and deep, but narrowed functional knowledge. From managers and entrepreneurs required broad-minded, flair and imagination, determination and most importantly-a deep understanding of and changes in the environment in which hit modern corporation.

That is why we can talk about the change in the 1980s. the very paradigm of business education: the transition from a scientific paradigm to the system. The main idea was to review the latest enterprise (firm) as

an open system, intensive interaction with its external environment and changing under its influence.

Important role in the development of business education has played AACSB adoption in 1992 of new rules of accreditation of business schools, which is of paramount importance not conformity assessment programs given the structure of academic disciplines and scientific level of these programs and the conscious formulation of their mission, determined by the client group, learning objectives and other parameters.

Content of the programs was set only a few framework conditions and the accreditation of great importance was attached to the presence of integrative courses (strategic management, business policy, change management, etc.), attention to the development of individual qualities of the manager (in the form of training skills), a combination of book learning with the implementation of “live” projects, etc.

The apogee of this phase approach to business education practice can be regarded as the emergence of corporate universities, when large corporations transformed their centers of excellence and training in educational institutions, taking on the basic training of professional managers. Such universities around the world there are now several thousand.

Economic agents education market until perceive them with suspicion, the state does not give them self-accreditation (educational component is usually implemented by a university license or known business school), but the fact remains that passed in the last 20 years a very serious way of approaching business education to practice, business schools still do not and overcome the gap between business education and business.

Moreover, in the last decade of the XX century. Sound of a revolutionary new stage in the development of information technology. Many talked about the widening gulf between business schools and the world. The essence of this phenomenon is described, in particular, Wharton Business School professor Jerry Wind.

The main strategic asset of business schools today-is knowledge personified well prepared professors-a carrier of knowledge, which has also pedagogical skills. But this intellectual asset largely moves in learning networks through which the youth of the new generation will be able to quickly and easily find and develop the required knowledge. However, business schools will develop qualities that today they only marked in terms of marketing management.

Differentiation of business education models (by D. Wind)

World (society)	Business Schools
Constantly subject to change	Gravitate to a fixed list of disciplines
Changes under the influence of computer digital technology	Disciplines not virtualized
Facing problems with multifunctional	Disciplines are not inter related
Exposed to globalization	Remain national
Feels the need for leaders generalist	Remain узкосфокусированными
Requires creative leaders	Produces masters analysis
Covered by the universal connection	Still work out universal connections
Requires continuous learning	Provide education only individual units
Needs for creators of innovative knowledge	Educate the same

First, it is a function of the training person to produce new plants by contact with an instructor. It should be noted that the provision of such training is not necessary to create a business school, it is easiest when the training is conducted in a small center, but in this case there is an immersion in a new culture, it is unavoidable to school with lots of professors and students.

Secondly, more importantly, business schools that promises a great future-is the creation of new knowledge. Implementation of the research and development of both fundamental and applied, advising based on deliberate diagnose problems; transformation of new knowledge in the curriculum, which will absorb learning networks-all these functions, the value of which not only did not decrease, but increase.

Thus, the business school is no less and perhaps to a greater extent, an organization focused on knowledge and knowledge management within the business school is a very important problem. Moreover, in the world, probably, very soon there will an integrated network of business schools, increase co-operation between them, will create different kinds of strategic alliances and even universities, higher education institutions will also go the same path of development, an incentive for them to this will be weaker.

It is a business entity which must be closely linked with the real world and that should be in the most direct form contribute to the growth and prosperity of his career holders actively respond to these changes and will use new features.

Russian business school after recent changes the legal basis of additional education received a new space for movement and the question is how they will develop in the future. If economic agents business education determine that distinguishes them from other areas of higher education, they will be developed within the scientific paradigm, the outmoded two decades ago.

REFERENCES

1. Yevenko, L.I., 2004. Russian business education and global trends. Business education: specificity, programs, technology, business / under total. Ed. S.R. Filonovich, pp: 38.
2. Popkova, E.G. and V.I. Tinyakova, 2013. Dialectical Methodology of Analysis of Economic Growth. World Applied Sciences Journal, 24(4): 467-475.
3. Popkova, E.G. and V.I. Tinyakova, 2013. Drivers and Contradictions of Formation of New Quality of Economic Growth. Middle-East Journal of Scientific Research, 15(11): 1635-1640.
4. Osipov, Y.M., 2001. Neeconomy (experience philosophical and economic consideration). Philosophy of Economy, 3: 14-18.
5. Andrew, J.P. and Sirkin, L., 2008. Return on Innovation: Pract. hands. Management Innovation in business. Minsk.
6. Metcalfe, S., 1995. The Economic Foundation of Technology Policy: Ecivilibrium and Evolutionary Perspective. Handbook of the Economics of Innovation and Technical Change.