

Academic Curricula Facing New Economical Context Challenge

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Abstract— *The dramatic gain in importance of risk management as a relevant scientific domain is due to the increasing dynamism of the evolution of aggregate economical system. Developments in risk management should start with proper study of the discipline in economical university programs. A wider research upon the stage of development of risk management in Romanian economy of the present time necessarily involved a review on the academic approach of the issue. Results of this particular research are presented in this article, proving an inadequate approach of this important area of academic study, at least at the present*

Keywords — Business risk; incertitude; academic curricula; risk monitoring; specialized literature

INTRODUCTION

If the idea that management is more likely an art and not a science, is unanimously accepted, then risk management will be the art of making decisions in a world of incertitude – which is a complex process of identification, analysis and reaction referring to the risks that the organization is exposed to.

Connecting the Romanian economy to the European and aggregate economical system has raised the importance of risk management study and the request of adequate consideration of this scientific discipline regrettably under-evaluated at the moment due to various reasons which are to be further discussed.

In order to provide research material, a sociological enquiry was conducted for drawing an image on the university educational system; the investigation group consisted of 70 adult persons, 50 students or graduates and 20 teachers of Lucian Blaga University of Sibiu.

The research went even deeper, as it meant a better thoroughness of the research; it was conducted to follow two directions - the selective scientific research intending homologation of concepts, own opinions and solutions by means of analysis of the opinions of specialists in management – academic and management area of different economical domains – and on the other hand research aimed to identify the opinions of the students of the Economical Studies Faculty – Management – at the Lucian Blaga University of Sibiu.

I. DEFINING BUSINESS RISK AND RISKS TYPOLOGY

Risk is defined as the situation in which the number of possible future events exceeds the number of events that actually will happen and a certain probability can be attached to their apparition (Bannock, 1997). The definition considers risk distinctly from incertitude when probabilities are unknown – in the case of risk a certain measurability of probability is assumed, which allows insurance or protection against risk. It is interesting

to find out that in the case of the students considered in the research the differences between *incertitude* and *risk* is perceived as follows: 60% of the students are aware of the different signification between the concepts, 24% of them believe that the terms have the same signification, and 16% of the students either do not know or do not want to answer the question, which reconfirms the inadequate training of the young graduates for the objective reality of the professional environment where they are to develop their future careers.

Research revealed a wide opinions divergence referring to defining business risk and risks typology, mainly due to the lack of specialized literature. The same opinion divergence in defining risk and risks typology revealed in the scientific literature is also proven to be found in the area of business practice. More than that, a first conclusion of the research shows the undesirable situation of an inadequate adaptation of the academic studies to the requirements imposed by the recent evolution of the macroeconomic context – educating specialists, especially those activating in the middle-management is vital for the adapting efforts of the organization referring to the dynamic economical environment where it activates; the academic studies curricula is considered inadequate for specific training not only by the university professors but even by students who – as the research shows – have neither a complete nor a correct image of the areas strongly affected by risk in the business environment in which their should integrate after graduation. This situation is due to the insufficient approach of the risk problems in the general training offered by the specialized study disciplines.

II. STUDENTS' EDUCATIONAL NEEDS IN A CHALLENGING ECONOMIC CONTEXT

A. General considerations

One of the first ideas formulated referring to the insufficient scientifically research resources was re-confirmed by the situation that most of those interviewed are not connected to the information provided by the specific research – the debates of the International Congress of Risk Management of Bucharest, in October 2004 are not known to those interviewed up to a percentage of 44%, the others being only aware of the existence of these debates. Solutions for such an undesirable situation should be found either in the business environment, by considering the need to establish specialized organizational structures specialized in risk management, with the correspondent responsibility of these structures towards connecting to information sources, as well as in the educational system which is not properly adequate to the needs of contemporary economy, thus neglecting approach of risk problems which might be considered as a priority especially for the economical academic and post-academic training.

The research conducted emphasized the fact that even if the importance of scientific risk management is obviously under evaluated by specialists and managers, the academic competence identified specific opportunities of the Romanian business environment that might be valued by adapting the mission and the management of Romanian companies to the requests of business globalization and corporate internationalization. The result of the research thus confirms again the need for

enforcement and increasing efficiency of the connection between academic training and the business environment.

Risk management is perceived as an essential priority – students consider that risk is a study area to be associated to business study in XXI-st century in a majority of 98%, while university teachers consider studying of risk management a major priority (38% of the teachers consider this a study of vital importance and 62% assign a great importance to the necessity of risk study).

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The research concludes that risk can be perceived as an opportunity that needs to be valued – the results of the research in the academic milieu identifies opportunities that managers are reluctant in taking note of, and pertinent solutions such as:

- Improvement of strategic management
- Specialization in order of diminishing number of alternatives
- Hierarchization of decision levels
- Preventing important losses – the organization is not surprised by events and it is able to adopt measures in due time in order to eliminate causes generating risk
- Permanent actualization of administrating risks strategy for the company business
- Elaborating and projecting total management – strategic and tactical – starting from implications and consequences for the company of the processes of globalization and internationalization
- Adapting the strategic and operational behavior to the specific of competitive context
- Awareness of the market tendencies
- Systematic accumulation and superior processing of relevant information regarding what becomes manifest on the market, at aggregate level and continuous, comparative relating to the state of Romanian economy
- Improvement of the informational system
- Opportunities capitalization (such as Nokia Cluj)
- Managers' specialization
- Developing managerial abilities for correct reaction towards risk exposure
- Increasing the capacity of understanding the needs of risk administration actions in the entire work-force of the company and expanding responsibilities in risk assuming
- Anticipating of international competition
- Pattern-making of the solvable consumption needs
- Adapting the quality-price ratio to an aggregate context
- Identifying and consolidating of a market share optimally satisfied by the company activity and integrated to the international state of the market
- Foreshadow of trans-national or multinational associations

- Communications fluency and risk information transfer in the decisional process by means of using new informational technologies
- Adapting methods and techniques of evaluation and control of risks to the specific of the business conducted

B. University Studies in Romania. Case Study: Lucian Blaga University of Sibiu, Economical Studies Faculty

The publications catalogue of The Central Library of The Economic Studies Academy in Bucharest – the most prodigious academic institution in Romania – provides a total of 6584 titles in Management literature. Referring to business risk, only 338 of these publications approach the concept of risk and the types of risks, risk evaluation, theories, practice and methodologies in risk management, while a wider range of topics cover the same traditional domains of banking risk, investments risk and monetary markets risk, in 3768 titles.

Comparing these findings to the resources of specialized literature available in the Central University Library for the students of Lucian Blaga University of Sibiu we have found only 55 titles approaching risk in management, and only 6 volumes approaching business risk.

Considering the reality that the educational system provides a work-force having a more important knowledge and educational potential, a high specialized work-force, and that according to the modern education population culture and personal vision of life are more orientated towards flexibility, dynamism, creativity, strong self-development determination, the research analyzed the capacity of the university education to adapt to the requests of human resource development in business risk management. Specialists training, starting with middle-management levels becomes vital in the adapting effort of the organization to the macro economical context in which it evolves. The aptitude of risk administration is to be educated, it is not a consequence of experience, as the research proofs.

C. Results

The students' interest in more detailed study of risk problems does not find the same echo in the specialized academic study curricula. This vulnerability of the educational system has been also noticed by the managers who are aware of the need of the work-force – especially the specialized staff - to adapt fast to the requests of the new evolutions of the business environment. University professors unanimously agree (87% of expressed opinions) that study programs are not sufficiently adequate to the competence requirements of the graduates, the rest of 13% considering these programs even totally inappropriate. The disciplines that brought to the students the concept of risk are mainly financial administration, economy and investments. Thus, students do not have a correct image – not even a complete one – of the business areas strongly affected by risk, 52,38% of them do not even know which this areas might be, while the rest of 47,62% of the students consider investments, stock markets and banking to be the areas most exposed to risk. Obviously the suggestions that students presented for improving the instructive process are numerous and coherent, their orientation being towards firmly contoured directions such as: increasing the weight of practical activities (35%), development of managerial abilities (17%), a more ample approach of risk problems (12%),

the quality of the instructive process (12%). It is not to be neglected the weight of the students that could not find any proposition at all (24%) in order to benefit of better specialized education, adapted to the needs of the of economical evolution, which they might expect from the educational system. It is a pleasant surprise to note that the students' requests for improving the educational system are perfectly concordant to the professors demands, which reveals not only the correctness of the educational relationship but also the high level of awareness of the training needs of the students, their connection to the objective reality.

Referring to this idea the deficiencies of the academic curricula which should be removed might consider the aspects as follows:

- Restructuring of the general training frame for the scientific area involving the risk problem, renewing of the curricula and of the contents proposed for academic economical and managerial education
- Theoretical re-founding of the courses, once in two years at least, based on the new paradigms reporting to the aggregate tendencies in world economy
- Adapting academic curricula to the needs of the market
- Increasing the number of original courses and introducing study disciplines approaching risk problems in the academic curricula, especially for master studies
- Introducing in the general work-frame of the economical academic studies of a distinct study discipline – „*Risk Management*”
- Providing of a realistic image, instead of a propagandist image upon the real state, the present and the future of Romanian economy, in the context of the European and World economy
- Adequate endowment of the academic libraries – case studies, study propositions, specialized scientific literature
- Exchange programs with universities having tradition in this domain and developing joint university programs in the country and abroad
- Increasing the importance of research, not only for the students, but for university professors too
- Increasing the importance of practical formative activities
- Collaboration of the academic institutes with the potential employers
- Developing competences of managing risks for the students, by means of management practice case studies
- Increasing the importance of simulating and case studies in preparing the final exams and seminars with recording of catastrophic potential of eventual management errors
- Stimulating of team-work for solving problems and elaborating projects
- Developing of communicational and analysis skills
- Developing the leadership skills, team collaboration and result evaluation capabilities
- Developing responsibility for decisions undertaken

- Greater emphasizing on courses specialization approaching human resources management, financial management, commercial management
- Practicing the abilities of risk prevention and of co-inhabiting this permanence of real life and business life

III. CONCLUSIONS

The academic point of view expressed during the personal research concerning a more efficient monitoring of risks expresses the perceived instructional needs of the adequate curricula for the students specializing in Management, being rather interested in practical issues; the interest of the students allowed identifying some interesting aspects as follows:

- Presenting bankruptcies in specialized publications
- Short-term training courses in the territory approaching this matter, specially for the small and medium size companies, organized by the Chamber of Commerce
- Continuous training of managers and work-force of the organization
- Using the new management methods and techniques
- Adapting success management of top performing international companies to the specific of Romanian economy
- Increasing responsibility of the staff involved in risk administration
- Competence transfer from a period to another
- Sharing decision adopting by a designated staff, instead of a single person
- Anticipating of globalization risks and those involved by regionalization of economic life
- Work-force focused on strengthening of main indicators and vulnerabilities that might anticipate or signal risks or vulnerability
- Elaborating forecasts founded on significant data, on soft and operational models of the company and leading the activity according to the reference points marked by these forecasts
- Implementing of an integrated system of corporate risk management
- Constant evaluation of risk sources for the own business
- Administrating the whole corporate risk
- Broadening the use of risk management for new domains
- Administrating the business risk based on the Critical Factors of Success

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