

# THE DEVELOPMENT OF THE STUDENTS' LABOR MARKET EFFICIENCY

*Quality Manger SÁNDOR CZINKÓCZI*  
*ISD POWER Kft., Dunaujváros, Hungary*

**ABSTRACT:** *The researches of Pfeffer and Fong (2002) indicate, that the business qualifications are not effective enough. Neither having the MBA diploma, nor the grades earned in courses are consistent with the future career success. All this raises the question, how efficiently prepare the schools their students? The research pointed out, that in business higher educational training, there is no measurable data available on the students' know-how, abilities, competencies and practical experiences on the given specialty. In my publication I am looking to answer the following questions: how can the effectiveness of the students' knowledge management be revised, what is the key of maximalizing student-accomplishment?*

**Keywords:** *student knowledge, knowledge management, standardized appraising procedures, qualification effectiveness*

## Initiation

Lee Iacocca, former president of the Ford Company (who is responsible – among others – for the successes of Mustang) wrote the following in his autobiography: “*All economic procedures can be concluded with the following three words: Human, Product Profit. Most important is the human. Without the group of well trained, professional, well motivated, communicative people, we are of little avail to.*” [Iacocca, 1988].

The academic knowledge in the business life is as valuable, as knowing the rules of soccer on the final game of the UEFA Champions League. If I am not able to score the ball in the goal, it is of no use for me to know what it means at the time of a penalty kick, that the referee's hand is in the air.

In economic life, I can be familiar with many economic models and portfolio assay technics, but if I can't generate higher sales at lower costs, than my competitors, I won't be able to prevail on the market. In the capitalism though, that is the most important factor. Offering customised, qualitative products, generated at a small expense with good profit. For this the control of an experienced leader, who is familiar with the real business values and has practical managing skills, is crucial.

## The root of the problem

Pfeffer and Fong (2002) American researchers were analyzing whether there is a coherence between having a business MBA diploma, the results attained on courses and the future career success.

They found that there is no substantive correlation between the quality of the diploma and the altitude of the career diagram. The effectiveness of business training, and its potential on the labour market became doubtful.

The worry of the higher education institutions arises from the fact, that the synergy between the research activities and the real world is missing (Tushman, Amy, Daniel, Charles, and Adam, 2007). This „gap” influences the quality of the institution's education process and effectiveness.

The new generation of the students, coming from different homes, financial backgrounds, and have different interests, abilities and needs, have to be motivated, to be professional and creative, so they can solve the social, technological, ecological and economical problems that occur in the 21st century, with the use of the ever accelerating technological inventions (Craig, 2008).

## **The management of the student knowledge**

Aside the healthy personality the intuitive knowledge is one of the most accentuated quality parameter of the human capital. A professional pianist is not concerned with harmonizing his memory and fingers at a concert, even though, that would be considered an unbelievable success for a „normal” human; he is rather engaged in the musicality, and interprets the the feelings and meanings meant by the author. In business life there is no time for defining the „score”. To achieve the quickest reaction to the economical-political-technological-ecological effects (to gain the competitive edge), one has to know the symphony by heart.

Obviously there are individuals, who have more talents from birth, than others: they can argue better, they are better, when it comes to information aggregation, who are faster in mind, and thinking, but these talents are not equal to the intuitive knowledge, that is more a combination of different knowledges: talent, responsiveness, experience, and a lot of work (Frascara, 2007).

For example, while future surgeons learn by text with the help of several pictures and illustrations, they won't start operating just by the learned text, until they see a practised surgeon actually operate. Surgeon qualification has always used the master-footman training frame as part of the surgeon students' training.

Rendition of the routine practise in this form is a method, that can be used by all training forms, in a way that connects practise and academic knowledge, and builds in the student's skills inventory the factor of „know-how”. The development, personalization, measure and perfection of these skills is the job of the educational facilities and the educators.

At the measure of the students' efficiencies it is important to ensure validity

and trustiness. Validity means, that the tools truly measure the student competencies, and trustiness means, that the tool really gives consistent, repeatable statistic results (Faye and McFarland, 2005). An effective student competency measure system obtains the statistic nature of structural validity, cohesion and distinction.

The administration system of the Business College of Florida (CBA), in accord with the University of Central Florida's administration system (UCF) developed an evaluation method, which realizes the data management of the student knowledge, by the following logic process:

- capture, by each degree program 4-10 factors measuring the student knowledge in accord with the principle of the CBA and the standards of the AACSB (Association to Advance Collegiate Schools of Business);
- collect data that can be used for the quality improvement of the program;
- make the information eligible for the drift research as well;
- attain the multi dimensional acquisition (for example: the data of the evaluation output integrated in the course, etc.), that can minimize the administrative work load of the further institutions, and that way increases the effectiveness of the information maintenance;
- prepare a standard data collection system and institute it in the regular work process.

At the business MBA training of the University of Central Florida, the following standardized student knowledge measure factors were defined:

- analyzing and statistic abilities (assignment solution);
- communicational skills (verbal and/or written);
- special knowledge (for example: financial theories, analyzation, report, presentation);
- critical thinking abilities;

- moral understanding;
- global awareness; group and individual dynamics in different organizations;
- motivational and leadership skills;
- empathy towards the cultural and ethnic differences
- organizational skills;
- management of the informatics.

The improvement of all these skills is the job of the manager-training institutes. In case, that in business life the key of success lies in the practical management skills, it is adequate, that the institutions preparing the future managers emphasize the improvement of these abilities.

Otherwise we will end up like the parachutist, who repeated the process ahead of him in theory a hundred times – wrapping the parachute, airplane take-off, jump, pulling the string to open the parachute, landing -, but only when the actual moment of the jump arrives, and while already diving, does he realize, that he left the parachute at home.

The modern approach of the American on-line trainings' planning systems is the essential of the COPLS (Community of Practice Learning System) model, so it simulates practical organizational-operational problems, to which professional situations academic knowledge provides the background. It builds a bridge between theory and practice, and it exercises this connection (in cooperation with an expert leader), focusing on improving the student's skills

(Priscilla and Dawn, 2008).

### **Quality is the key to maximizing the student efficiency**

By the result of a survey amongst the members of an American higher educational community (Higher Education Community (HEC)), higher educational institutes find, that the level of quality is an emphasized factor from a strategic angle on the aspect of competitiveness (Jacobsen, 2007).

Based on several research reports the quality of teachers is the key to the students' efficiency maximalization. As an estimation of the distribution of the „teacher-quality”, the  $1\sigma$  rate of teacher quality results an at least  $0.11\sigma$  increase in the student's average annual efficiency. This estimate points out that in case the student has a “good” teacher (the rate of  $1\sigma$  quality is above the average), compare to a medium grade teacher, an average student can achieve an annual increase in efficiency of over 4%. (Hanushek 2005).

The conclusion of a study (Third International Mathematics and Science Study (TIMSS)), researching the differences in student efficiency on an international level is, that by the education system's reform, the factors effecting the characteristics of the school system, for example: the method of the intake process, the age profile of the teachers, the level of teacher „quality” should be considered (Jürges and Schneider, 2004).

The empiric results support only in some measure the lower number of students in a class, as a method used to increase student efficiency. The positive effects of the lower student number can be experienced mostly in elementary school, or at the education of disadvantaged students. It also appears in general, that financial inputs effect scholastic efficiencies to a surprisingly small degree, while the teacher quality has a strong measure.

In what effectiveness will the educators be able to establish this quality advance, highly depends on the functional quality of the institutions training them and the ones, where they will be leading their educational/pedagogical work. The question presents itself, how can this future quality advance be demonstrated?

The effect of quality advance can be directly calculated from the way the quality affects the measure of economic increase. Two dimensions of the quality improvement are important: to what measure do organizations find quality improvement to be

a strategic aspect, and how quickly can they realize the changes.

The operative technology is of major importance, from the aspect of the educational-pedagogical work's quality. Researching the technological factor a SWOT analysis of an American business school's on-line course came to the following conclusion (Jackson and Helms, 2008):

**Strengths:**

- the student can save time with the help of on-line courses, and by doing so, can invest more time in work, free time, attend to other school tasks etc.;
- the internet, as an educational platform gives a chance to the handicapped and disabled people to take part in the education;
- decreasing infrastructural demands (parking, class rooms and providing other resource)

**Weaknesses:**

- in spite of the on-line access, available at home, students still have a demand for the chance of personal consultation;
- lability of the internet (viruses, spy programs etc.);
- not everyone has internet access.

Additional very important factor of the institutional quality improvement is the permanent external, objective quality audition. The United States of America for example has integrated

into the accreditation process the external revision of the quality assurance, and quality improvement activities. (Council for Higher Education Accreditation, 2006:1).

By including also the higher educational facilities into the accreditation process, they promote the quality improvement of the institution's educational process as follows (Moskal, Ellis, and Keon, 2008):

- development of public trust towards the scientific programs;
- training based on the special employer „skill” expectations;
- trained professionals;

- it assures, to have pedagogical standards developed and maintained;
- financial support to the students;
- makes the students' ability to transfer easier;
- promotes the licenced institutions' employees and students pride to the establishment.

## Summary

During their researches Pfeffer and Fong came to the conclusion, that it is not possible to train managers viable in professional life, without improving the abilities and characteristics, necessary for the effective (profitable) practical management. This is why at the manager training there is a need for an evaluating system, that is appropriate to measure and continuously improve the abilities established in business life. Rather than the test teaching, the student's manager skill valuation should be emphasised, and by doing so, rather the improvement of „skill” and „memory” need to be accentuated. It is required to create an estimating database available to represent the tendencies, to evaluate the individual and collective student knowledge and efficiencies.

After all, what does the basic identity of an operative manager lay in? Iacocca had the right answer to this question as well: „Every time a rugby player enters the field, he has to be a player from head to toe – with every bit of his body, his feet and his head equally. Some play with their brain, and of course one has to be smart, to be winner, no matter what he is involved in. But the most important thing is to play with your heart and soul. If one is lucky enough to find a guy, who is smart and enthusiastic at the same time, he can be assured that he will never leave the field a loser!” (Iacocca, 1988). Therefore in case of business trainings it is profitable to focus on the improvement of these empirically defined skills, with the appropriate academical foundation.

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