

STUDYING BUSINESS ADMINISTRATION¹: THERE AND HERE²

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National competitiveness is an important concept that reflects in economic strength and place on the world markets. Among numerous competitiveness indicators educational system is certainly one that builds competitive fundamental in creating proactive, efficient and effective workforce. Business schools certainly carry significant burden of responsibility for educating future generations of managers. Business schools enjoy great popularity around the work, with significant number of students that wish to enroll. Popularity is influencing structure of candidates that enroll in to business schools, as well as having negative impact on quality of educational process, since professor have limited ability to work with larger groups. However, ability of business schools to generate enrollments, and revenues, is further fueling the trend. Second significant source of quality deterioration are criterions for faculty promotion: publishing and student evaluations. Publishing is removing focus and time from educational activities, and good evaluations are resulting from having mild grading criterions and reducing academic pressure to students. These two dangerous trends are documented in literature, and hit developed countries (i.e. USA) and developing ones (i.e. Serbia). Today's economies function under extreme competitive pressure and in ever-increasing international exposure. Product and services transcend borders easier than ever bring completely new perspective on the issue of quality of education and competitiveness. Quality assessment of (business) schools can no longer be measured in national borders. This article is trying to offer frame of reference for improving business education, which is just partly a question of national competitiveness, and partly competitiveness of business schools themselves, and their ability to attract future generation of students.

Key words: academic community, competitiveness, globalization, quality of higher education, business administration, economy, students, marketing, knowledge.

The conclusion that Serbian economy lack competitiveness is nothing new, and the topic has been discussed for decades. What is interesting to see is that the motifs in the story do not seem to be changing over time. We are living in a country of incredible potentials, but there always seems to be something preventing us from using these potentials. In early December 2010, His Excellency Arthur Kohl, the Ambassador of Israel, taught a lecture at the Faculty of Economics in Subotica. Within the topic of «Reforms and priorities of Israeli economics with a focus on agribusiness» he informed the audience of the substantial exports of Israeli produce to EU countries. A logical question, of course, is how it is possible that a country like Israel, whose 60 % of area is classified as «arid» by Sitton, can succeed in agricultural production (www.mfa.gov.il, Advanced Agriculture as a Tool against Desertification, 08.07.2011). The Ambassador drew several parallels and pointed to several similarities between Israel and Serbia, but also emphasised what could be termed as constant inability to translate potentials into real opportunities. Answering the provoking question on his opinion as a foreigner who has spent a number of years in Serbia – where is the problem, and why do Serbia's potential remain unused, His Excellency summarised the answer in two words: people and organisation.

As we can see, Drucker's message about the knowledge worker published in *Post-Capitalist*

Society in the early 1990s is still valid. The modern geo-economic scene has confirmed the minor role of raw materials and/or natural resources as economic development factors. According to Drucker, the comparative advantage of developed countries lies in the availability of high-quality labour force. Without a doubt, the «quality» of human resources can be measured with numerous dimensions, but one of them is bound to be the quality of education they receive.

Assessing a country's competitiveness is a complex task, but without launching methodological discussions, we could use the results of a study by the World Economic Forum published in *The Global Competitiveness Report 2011–2012* (see Table). The study encompasses 142 countries and analyses the 12 «pillars on which competitiveness is based: institutions, infrastructure, macroeconomic environment, health care and elementary education, higher education and human resource upskilling, efficiency of the commodity and service market, the labour market, development level of the financial market, technological readiness, market size, business culture and innovation».

Numerous competitive indicators can be correlated directly with available human resources, but in view of the position, i.e. assessment of the education system and business school quality, one can almost expect (but not justify) the poor position of numerous indicators. The starting hypothesis

that enhancing business school quality can make an impact on competitiveness indicator shifts in qualitative terms. By all means, the objective

should be comparison with developed economies, but the state of affairs is that we are even lagging behind the countries in the region.

Label	Indicator	Countries* ranking/142							
		SR	HR	HU	RM	TU	AS	US	KI
1.08	Public expenditure inefficiency	130	129	115	107	72	28	66	30
2.01	Total infrastructure quality	120	36	46	139	34	8	24	69
5.03	Educational system quality	111	89	80	90	94	24	26	54
5.05	Business quality	114	83	77	92	110	34	12	59
6.16	Customer sophistication	136	116	108	83	97	26	12	5
7.08	Brain drain	139	128	121	131	97	27	3	33
9.01	Ability of cutting-edge technologies	123	51	43	115	52	10	18	100
11.04	Nature (source of competitive advantage)	136	49	63	103	77	12	20	45
11.07	Production process sophistication	129	85	55	91	38	8	15	52
11.08	Marketing development levels	128	78	45	86	37	7	3	43
12.01	Ability to innovate	110	64	41	78	71	12	7	23
12.03	Corporate investment in R&D	130	71	81	87	62	17	6	23

*SR – Serbia, HR – Croatia, HU – Hungary, RM – Romania, TU – Turkey, AS – Austria, US – the USA, KI – China.
Source: The Global Competitiveness Report 2011 – 2012, Geneva, Switzerland, 2011.

The issue of quality (and efficiency) of educational systems is not a unique problem characteristic only of Serbia. Numerous countries have expressed concern about the sustainability of their own educational systems, and the abilities of the future generation of managers to meet the globalisation challenges. Research into the state, problems, but also the solutions applied in various areas may feature as a major step in search for solutions for improving the HR education problem, with a specific focus on business administration. The planned research is aimed at objectivising differences present between the opinions and positions of student population regarding the assessment of not only the knowledge acquisition process, but also knowledge itself, its applicability, as well the students expectations (i.e. optimism or pessimism) regarding the applicability of acquired academic knowledge in real-life work environment. Raising knowledge levels in the realm of business administration would directly result in improved competitiveness indicators.

Globalising the market and globalising education

To a great extent, the issue of globalisation comes down to the issue of standardisation. Viewed objectively, business success on markets is based on the management's strategic decision to strive towards or achieve cost leadership, predominantly through standardisation strategy, or to

try and meet consumer requirements, by creating a unique value offer, which, at its extreme, had the features of products meeting individual needs and desires of particular consumers. «Opening» a global market is enabled by market factors, pricing factors, competition factors, and changes in regulations and national policies. Yip (1997) refers to these factors as globalisation drivers. Kotabe & Helsen (2010) elaborate Yip's concept in details, where the convergence of lifestyles, consumption habits and patterns of the «global villagers» becomes the dominant market factor. It is particularly manifest in younger population, so that people in their late teens (pre-college) in Serbia, the USA, China, Turkey or Austria listen to (or at least know) the same pop performers, wear the same brand of sports footwear, view the same web pages or TV programmes, and every one of them equally wants an Apple Iphone 4. Availability of information, communication technologies, media and falling transport prices have made the modern world a relatively small place. Education is not immune to globalisation, not only through student mobility and expansion of schools (predominantly from developed countries) to no geographic areas, but also through the fact of convergence of teaching materials and methods. Students in various countries are likely to have learnt basic marketing knowledge reading the same authors. Whether it is about standardisation or individualisation of offer to suit to the consumer,

crossing national boundaries is defined by the extent of similarity in our needs, desires or interests. Globalisation is a powerful factor acting in this direction.

An interesting parallel from the educational aspect can be made: the «standardization» of education³ is older than industrial standardisation and is guided by the same drive, i.e. efficiency. The current teaching method (especially in Serbia is organised by class/lesson pattern (frontal teaching), devised by the Czech educator and writer Jan Amos Komensky (The Pedagogical Encyclopaedia, 1989). In a nutshell, it is the classical *ex cathedra* approach to teaching, and the «iconography» of this system is still present at our universities: a dais raised on a platform or pedestal, auditoriums with a large number of seats, and a single teacher lecturing or presenting to a large number of students. The concept was devised in the 17th century, and, according to Komensky himself, it was the most efficient, if not the best lecturing system. Popularisation or raising the availability of education emerged at a point as a valuable cause, but it also meant standardising the educational system. From a position of privilege, education shifted to an implicit right, becoming a mass product of sorts, almost to the point easily recognisable on clothing from the People's Republic of China flooding our markets – with the unnerving «One size fits all» label.

(Un)competitiveness of Serbia and its products and services acquires a special dimension in the globalisation context. It was said long ago that seeking an answer to the question «how to be competitive within national boundaries» is seeking an answer to the wrong question. Students studying business administration and marketing are faced with a new understanding of competition. It is global. International presence on the market of Serbia means that it will have to cross swords with people who gained knowledge worldwide, if not directly on the labour market (although this is not excluded either, especially for positions closer to strategic decision-making levels, as foreign investors tend to employ their own people as top management). Likewise, the products of their companies on the market will be forced to face products backed by multinational corporations and marketing experts who graduated from prestigious colleges. Admittedly, knowledge of business administration is not the only one, but it is far from being a negligible leverage on the contemporary global market.

Kedia & Englis (2011) argue that nowadays business schools (in the USA) should provide three levels of «global perspective (ibid., p. 15):

awareness of global economy, understanding global economy and competences providing competitiveness in global economy. Datar et al. (2011) highlight the stress on global perspective as the primary task in enhancing business studies. Starting from the Faculty of Economic Subotica, preparing students for «competing on the global market» has a range of limitations, but one cannot say there are no attempts at going in this direction:

1. Developing awareness of global economy, through introducing lessons dealing with global issues, or introducing courses explicitly related to business operations on the global market. More specifically, the Marketing study programme does comprise a course in Global Marketing, but special attention is devoted to the international aspect of competition and the market in most disciplines as well.

2. Understanding global economy – students' exposure to different culture and socio-political circumstances is minimal, i.e. limited to exchange programmes, available to a relatively small number of students, whereas the participation of foreign students or lecturers is virtually non-existent. There are very rare occasions that professors from Serbia have teaching or research experience in foreign countries (apart from the former republics of the SFRY), which is determined by modest resources and protocolar problems of absence (such as the concept of sabbatical – the right to a year's leave of absence at American colleges, usually once in seven years).

3. Developing specific knowledge and skills providing competitiveness in globally economy – from learning foreign languages and understanding different cultures, to specific business-related knowledge and skills. The author's general impression, based on three semesters spent in the USA, both as a teacher and a guest at numerous lectures and presentation, is that (generally speaking) there is no dramatic lag in basic disciplines and theoretical knowledge.

The same or different problems of business schools today – there and here

One of the most important lessons in marketing is the concept of expectations. Managing consumers' expectations and the ability to respond to them appropriately is the basis for creating (dis)satisfied consumers. The teaching experience at the School of Business Administration, Portland State University, explicitly showed the importance of this lesson. High expectations regarding American students ended with a dose of disappointment, as results within the project were lacking (see Figure 1), and knowledge assess-

ments showed significant lack of knowledge of basic marketing principles. On the other hand, teaching the course of Working with Customers for Business Minors BA316 turned out to be a real pleasure. The student showed far more interest and showed far better results. The logical question is, how could a group comprising students of medicine, psychology, architecture, and journalism be better at understanding marketing than students of Marketing and Business Administration? In 2009/10, the author thought it was an exception, but in 2010/11 the situation repeated.

This «illogical» occurrence resulted in a desire to probe into the phenomenon more closely. A series of talks with fellow teachers at the School of Business Administration resulted in an intention to organise research and answer the question of quality at higher education institutions in the field of business administration. The opinions of fellow teachers at Portland State University can be summarised as «students invest less effort and time, have difficulties with written and spoken expression, exert pressure towards lowering standards and/or obligations», etc.

Highlight 1

Practical “internationalisation” within the course of International Marketing, Portland State University, School of Business Administration, Portland, Oregon, SAD

During the summer trimesters of two academic years – 2009/10 and 2010/11, the author of this text taught a course of International Marketing MKTG466). A compulsory part of students’ pre-exam obligations was devising a marketing plan which would pursue the export of products or services from the USA to Serbia, or launching a business venture in Serbia. In a real-life situation, this might not be Serbia itself, but any of the students may find themselves in a situation that they have to pursue a product or business on a foreign market. An average American student has virtually no knowledge and/or experience with the Republic of Serbia before the introductory lecture. Research has shown that comparatively few students have had the opportunity to travel to another country (Johnson, Kaufman, (2006).

The author’s personal opinion is that, although a large number of US universities boast diversity, and nurture it as a particular goal (see Wood, 2011), an average American student finds it very hard to accept that circumstances and life “elsewhere” can be completely different, without automatically being “wrong”. Kedia & Enlis (2011) warn that the purpose of acquiring global competences cannot only be to understand the economies of other developed economies, such as those of the EU and Japan. A special focus should be placed on developing countries, such as China, Brazil, India and Russia, where differences in culture and business setting differ substantially from the “recognisable certainty of the domestic market. Within the MKTG466 course, each team of students was linked with a couple of students in Serbia (from Years IV and V of academic studies at the Marketing Department of the Faculty of Economics in Subotica. Serbian students served as consultants for selecting ideas, familiarising with the setting, understanding local conditions, and finally actively participated in data gathering within field research on a convenience sample. There is a number of practical implications circumstances almost identical with real-life situations, from different communication technologies, the nine-hour time lag, language barrier (although the students of the Faculty of Economics Subotica are highly proficient in English), to differences stemming from cultural issues or existing prejudices.

The conclusion of a study that took three years and covered over 30 best business schools that «...students are no longer so dedicated to education and learning...» (Datar et al., 2010, p. 456) additionally confirms the concern for the quality of studies at business schools. Students’ time and energy are focussed on all activities that will lead them to a position to choose the best available job, i.e. «...the focus shifted from learning to earning.» (ibid.). One of the problems might be this double standard: in an attempt to attract as many students as possible, with the same or insignificantly changed human and technical resources, the academic community of business schools eroded quality, the effect of which will show in the long run. Opportune gratification of profit objectives blurred the responsibility to the complex pool of stakeholders. The academic «market» of Serbia has seen an «inflationary» rise in

the number of institutions offering education in economics and management. According to the National Bureau of Statistics, the number of freshmen at state and private higher education institution who started the studies of economics and management was about 9000 in 2009/10, and about 8500 in 2010/11 academic year. Out of the total number of freshmen in Serbia, almost 17 % are studying economics or management. The situation is similar in the US as well; according to Glenn (2011), almost 350000 bachelor degrees in Business Administration were awarded in 2008/09, and this discipline is being studied by 20 % of the total number of students in the USA. Wood (2011) warns that the high education bubble is about to burst on the US market⁴ – which particularly refers to business schools. High tuition fees in the US are mostly paid from student loans, and the assumption is that loan instalments

are repaid more easily with a better job and higher salary. What if it is not so? In the long run, rather than a degree, the key factor on the labour market is knowledge, skills and abilities. If an institution is incapable of offering this to students, money invested in the «diploma» does not pay off in the long run.

Business schools (both here and there) are, as it were, victims of their own popularity. It is in the areas of economics and management that the disproportionately high number of new colleges is being opened. This is contributed to some sort of economy of scale – a large number of interested students, with a minimum of technical facilities. In addition to the new institutions, the old ones have also made a «leap to the market», by opening new places. These decisions were rational and financially justifiable, but, unfortunately, in a large number of cases, the growing number of students has led to a total alienation between the teachers and the students, and the statistics of success is ancillary to achieving economic targets.

Within the International Management Teachers Academy, IECD Bled, in 2002, Mr. Peter Kraljič, member of the McKinsey Advisory Board, argued that a good professor must unify three key areas: teaching, research, and consulting. As logical as the idea may seem, it is also logical to ask whether all of this requires an individual to work more than 24 hours a day. A significant number of universities in the US place research (and publishing articles) as the dominant prerequisite for Professors' career advancement. Besancenot et al. (2009) express concern that research takes up time and energy at the expense of the quality of the teaching process. The rules established in Serbia set very strict standards, with significantly limited available resources.

In early 2011, Arum & Rosa's «Academically Adrift: Limited Learning on College Campuses» caused a commotion (see Wood, 2011; Glenn, 2011; Zimmerman, 2011). Through the results of four years of research, the authors concluded what we all have known for years: the quality of education is declining. Professor Paul M. Mason «...does not give Business Administration students the same tests like 10 or 15 years ago. Few students could pass those tests today.» (in Glenn, 2011). According to the research, the alarming fact is that students included in this research in business school do not have a single course within a semester where they must write more than 20 pages of text, and the exam revision materials amount to under 40 pages of literature per week of instruction. It is therefore no wonder that there are examples of professors introducing poetry into

marketing lessons to «provoke» students' creativity and communication skills (Celly, 2009).

Similarity between this and situation in Serbia is a valid cause of concern. It would be wrong to infer that the same and/or similar problems in the world's most developed economy mean that we, in fact do not have a problem. Our central problem is that our ability and resources to face new reality have declined greatly.

Analysing the predictors of student satisfaction in business schools, Gibson (2010) gives a two-decade overview of research in this area. Two variables have been identified as significant «in almost all cited studies» (Gibson, 2010, p. 253)

a) teaching staff/lectures:

the quality of lectures, expertise, quality of teaching, expertise and interest in the given area, willingness to help students, availability and/or openness to students' questions, feedback;

b) lectures/curriculum

design and execution of the teaching process, usefulness, schedules, size of groups, etc.

One can clearly infer from the results of research conducted at the Faculty of Economics Subotica in 2001 that the dominant quality predictors of a college are the quality of teaching and lecturers' expertise (Pantelić, 2001), as confirmed by numerous pieces of research conducted in various countries. From the aspect of consumers, i.e. students, quality is defined by the same criteria.

In conclusion, everyone expects quality. The only disagreement is about how this quality can be measured objectively. Viewing students as mere consumers in a service provision process could be a dangerous fallacy with long-term consequences. The saying goes, «...college education is one of the rare products that consumers like more if they get less of it.» (Mason et al, 2003, p. 603)

Students as consumers

The issue of quality in higher education institutions is fascinating. Applying marketing in the higher education settings shows features because of which it is not simple to answer the question whether they can be transferred «one-to-one» from the sphere of services, where education does belong in a way. The question is whether a student can be treated as a consumer in the education process. What exactly is for sale on this market? Who is to guarantee quality in such circumstances? Does this market also display unlimited faith in the infallibility of market mechanisms, which will reward the good, and punish bad service providers? Cooper (2007) states that, on the markets of the UK, the USA, Australia and India, transforming higher education into a commodity

did not yield satisfactory results. The new logic – that colleges are places where something is bought – did not spare Serbia either, and we can argue without fear of contradiction that professors have encountered «dissatisfied» consumers/clients/students who took advantage of the argument, “But I paid for it!”. A student is not a mere consumer. The outcome of college education greatly depends on how much time and energy the consumers themselves invest, especially if we talk about improving the quality of studies – improving the quality requires more of consumer’s time, more self-denial, and more energy. Viewed opportunistically, the consumer may highly dislike raising quality, i.e. standards, in view of the fact that students very often invest their own time into the process – dividing it into time devoted to college, and time invested in other, more pleasurable activities (Mason et al., 2003). Nowhere else is fundamental paradigm of marketing that consumers know what they want questioned to such a high extent.

Having overviewed the literature and current research, one can conclude that the «crisis» of business schools is not general, and there are exceptions. In his analysis of MBA studies, Datar et al. (2001) states that structural change is under way: the most selective institutions or prestigious universities have no decline in the number of freshmen. In middle-of-the-range and lower-range institutions, the number of students is declining on two-year master studies, while a number of students opt for online studies, one-year specialisation programmes, corporate training courses and professional upskilling. In the long run, the higher education market in Serbia can be expected to undergo a transformation that will, in the light of all circumstances, result to the survival of institutions capable of delivering customer value.

What to do next?

The time to come will undoubtedly be market by knowledge. Development of information and communication technologies, globalisation processes and growing population (and capital) mobility are making the world seem a small place. Competitiveness in global terms no longer comprises natural resources but capital, but rather know-how, i.e. knowledge. The issue of knowledge diffusion, its efficiency and effectiveness are becoming key questions and the focal point of a large number of stakeholders. The position of a country in the international work division is defined by the profile, quality and quantity of knowledge. Individuals link their future to competencies (knowledge, skills and positions) they possess, as these competencies define their pro-

fessional status, and, indirectly, social position as well). Organisations employing human resources of various profiles want the best people that will enable the business system to accomplish its objectives. Deloitte SE Europe, with its headquarters in Budapest, employed several students of the Faculty of Economics Subotica last years. Deloitte’s management’s opinion is that the search for the highest-quality human resources must cross the borders of Hungary, and organisations that realise first that not only do they need human resources, but **top-notch** human resources, will be the most successful in the region. Higher education institutions have the obligation to review their sources of funding. If these originate from the budget, does the state treat higher education appropriately? If the students are the ones who finance their studies, the market has never before offered more options. In the long run, each institution of higher education will be assessed by the society based on how much it contributes to improving the quality of life. There is a fear that, in this area, for who knows which time, The Future Shock will not wake us up. The success formula is apparently simple:

a) Shorten response time (flexibility): Sensenig (2009) points out that this is one of the key features of the contemporary setting. If we teach students of marketing courses that product lifecycle is becoming shorter, this will obviously apply to knowledge as well. Babson College’s President Leonard A. Schlesinger argues that «specific business skills have a lifecycle of about five years, as both technology and organizations tend to change.» (in Glenn, 2011)

b) Offer customer value (regardless of the complexity of its definition): Under a constant pressure to cut costs, quality can very easily be jeopardised. The solution is not to set requirements for cost cutting, but establish a formula that will deliver superior value to the consumer. In the forthcoming period, it would be recommendable to abandon insistence on theory and reproduction as the assessment method. Sufficient time (and space) should be devoted to developing critical thinking, analytic and quantitative tools and interpretation abilities, including eloquence and presentation skills. Datar et al. (2011) explicitly state the task of business schools to «create human resources» capable of thinking creatively and innovatively, as well as having the ability of critical thinking and communication skills. A special problem is also establishing the relevance of acquired knowledge and its applicability in the corporate world. According to David et al., there is a gap between curricula and real needs of companies.

c) Improve quality by raising standards, however unpopular (if not unpleasant) this strategy may be for the «target market in the short term. At this point, one must express a warning – based on research by Mason et al. (2003), but also drawing on claims by Appleton-Knapp & Krentler (2011) – there is a real danger that improvements in quality are hardly sustainable if the problem is approached from a purely «market-driven» side. Practice in our conditions has shown that a number of students transfer to institutions where, in their opinion, they will acquire their degrees more easily. The «affected» institutions perceive lack of students as a reduction in income, leading to a pressure to lower criteria. Lowering criteria and «mutilation» of curricula to keep the number of students leads to a never-ending spiral of countless concessions. Declaratively, everyone will agree that the aim is to increase quality; practice, however, will demonstrate pressure in the opposite direction.

Serbia must finally deal with its own future, and this issue is undoubtedly linked to the competitiveness of our products and services at the international level. Interestingly, expectations are higher, the issue is always central, but realisation is lacking. Improving the quality of education, higher standards, higher-quality and more applicable knowledge are essential, but this also means undertaking major responsibly and giving up the «unbearable ease of living» in Serbia and/or the Balkans. The medicine is not likely to be palatable for anyone. If «... we cannot expect American economy to manage business, be the leader in certain industries and be competent in a world it does not understand sufficiently...» (Kedia & Engelis, 2011, p. 26), then such an attitude is no less important for Serbia. The current students are to develop into business people of tomorrow, competitive on the global market. How to achieve this? Lowering standards, hyperproduction of degrees, curricula and syllabi based on inertia are no solution. Change always requires employing energy, and the greatest fear that the grey humdrum hopelessness of a country that has spent over 20 years in turbulent times do not leave either professors or students with sufficient energy or enthusiasm – and next time, when you are surveyed for the research conducted by the World Economic Forum, whether the answer to the question whether your country is successful in keeping and attracted talented people will be closer to the opinion that the best and most intelligent ones normally leave to pursue opportunities in other countries, or that Serbia offers a lot of opportunities for talented people – unfortunately,

the answer is already known, at a time when «education is more important than ever for the prosperity of our society» (Arum & Roxa, 2011).

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¹ This area seems to be confused semantically and essentially in terms of defining economics, business administration, and management. In terms of essence, our Colleges of Economics, would, in fact feature as Colleges of Business Administration. The confusion is further added to by the «birth» of a large number of new institutions, trying to differentiate themselves in relation to established national colleges; one will find and incredible plethora of names, some which only have a promotional function (to put it diplomatically), such as «Faculties of Modern Business» or «Faculties for Executives». In this article, the term «business administration» will refer to higher education institutions offering curricula in the fields of economics and management.

² «There and Here» is a film directed by Darko Lungulov, first screened at FEST festival in 2009. The film is about a specific conflict of the logics, cultures and expectations of the protagonist – an American citizen faced with the reality of Serbia. The basic theme of this article draws on the author's experience gained while teaching in Serbia and the USA. The idea of the article was well accepted by several professors of different universities, and this article is an introduction into research conducted by Jeanne Enders of School of Business Administration, Portland State University, Portland, Oregon, the USA, Andreas Zehetner of Upper Austria University of Applied Sciences, Steyr, Austria, and Darko Pantelić of the Faculty of Economics Subotica, University of Novi Sad, Serbia.

³ Educational system has, of course, undergone different phases – from elitism, through production-driven and consumerism, down to user-driven and innovation phase. Historically, each of these phases has had its own drivers and goals. Elitist education was characterized by a relatively small inclusion of population, and focused on diffusion of knowledge as prestigious «social» capital; entering the production-driven phase brought on standardization, and stress is shifted to economic and labour development, while education features as an instrument of education. Nowadays, in developed economies, we speak of user-driven and innovation phase. The utilitarian phase has some elements of marketing approach, and deals with student satisfaction, whereas the innovation phase is predominantly driven by change management and building competitiveness and knowledge functionality is highly appreciated. It would be a misconception that it is about linear development covering all «markets» uniformly, just as it would be wrong to conclude that, from the marketing aspect, all (sub)markets follow the same historic framework from product to sales to marketing orientation. Objectively, development is haphazard and matches circumstances dictating prevailing behavior (see Pekka Kess, Tommi Pykkonen; Quality in University Continuing Education – The European Perspective, EUCEN, 1998, in Pantelić, 2001).

⁴ An analogy with the real estate market in the US, or earlier «dotcom bubble».

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