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# Private Higher Education in Romania: Success or Failure?

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## Introduction

Higher education as all other aspects of social and economic life in Romania undergone changes after 1990. One of the major changes in higher education in Romania was the fast raise of private higher education based mainly on private initiative. The purpose of this research was to identify the perception and attitudes of the business community over both private and state higher education systems, in the context of an existing popular controversy over the low quality of private higher education as compared to state higher education.

## Higher education in Romania: from centralism to marketization

Once the communist systems have been dismantled in Central and Eastern Europe at the end of 1980's, these countries gave up the unitarist educational systems. The nature of the changes in these countries is something between the desire to go back to the inter-belic systems and the desire to europenize. In the communist years educational systems had three main objectives: 1) to create good socialist citizens, 2) to form individuals with high productivity and 3) to contribute to maintaining equality in society (Offe, 1997). Subsequently (after 1989) the need for change and delimitation of these goals determined the restructuring of educational systems. In Romania higher education was one of the fields that has known tremendous changes in Romanian after 1989. The traditional pre-1990 higher education system was formed of only public higher education. This was centralized and controlled by state, with fixed pre-determined number of places for each specialization according to the planned "need of the economy" and repartition of all graduates of a job in the society. Therefore the number of places in universities was very limited and there was a high demand relative to the educational offer. The competition to get a place at the university (based on sitting a very difficult exam) varied from 2-3 candidates/place to up to 20 candidates/place at upscale specializations such as law or architecture, where the places were very limited (less than 100 places per country per year). The good image and the high status in the society of the highly educated person was one of the reasons for such a high competition for getting into universities.

After 1990 the demand for higher education increased tremendously. Two main motives were considered to contribute to this increase: a) there was a large number of young people from more past high-school graduates generations whose aspirations to get into an university were not fulfilled prior to 1990 due to the limited number of places and the tough entry examination and b) there are new opportunities offered by the opening society (Nicolescu, 2000). Private initiative was the first to respond to this demand in excess. However, the entire education system experienced growth and reorganization. Table no. 1 illustrates how the number of those who go to the university from those who graduate a high school has doubled in the last 10 years. The ratio of first year undergraduates to the number of school graduates increased from 14.6% in 1989/1990 to 33% in 1997/1998, as an indication of the increased demand for higher education.

Table no. 1 Ratio of first year students to high school graduates between 1989-1998

Academic year	Ratio (%)
1989-1990	14.6
1990-1991	31.1
1991-1992	30.5
1992-1993	38.5
1993-1994	37.8
1994-1995	36.6
1995-1996	36.5
1996-1997	36.3
1997-1998	33

Source: Ministry of Education (1998)

Another indicator that reflects the growth of the education sector is the evolution of the number of higher education institutions in the period 1990-1999. The number of public higher education institutions increased from 44 in 1989-1990 to 57 in 1998-1999. At the same time the number of private higher institutions grew with a high pace, starting from 0 in 1989 and reaching 54 in 1998-1999. In 1999 half of the higher education institutions were private, but as number of faculties they represent only 35% as can be noticed in table no. 2.

Table no. 2 Number of higher education institutions, 1989-1999

Public and private education	1989-1990	1995-1996	1996-1997	1997-1998	1998-1999
Public Education					
Number of institutions	44	59	58	59	57
Number of departments	101	318	324	342	361
Private Education					
Number of institutions	0	36	44	49	54
Number of departments	0	119	161	174	195
Total					
Number of institutions	44	95	102	108	111
Number of departments	101	437	485	516	556

Sources: Statistical Yearbook, 1998; Sapatoru, 2001.

Another measure of the huge increase of higher education after 1990, is the evolution of the number of total enrollments in the period 1998-1999. The number of total students enrolled grew 2.5 times in the 10 years period. While the enrollments in state institutions grew with 68%, the difference of 182% increase was due to the establishment and growth of private higher education institutions. At present more than 30% of the students enrolled in higher education study in a private higher education institution. Table no. 3 presents the evolution of total student enrollments in 1989-1999.

Table no. 3 Evolution of total students enrollments in the period 1989-1999

Public and private education	1989-1990	1995-1996	1996-1997	1997-1998	1998-1999
Public education					
Enrollments-number	164507	250836	261055	249875	277666
% of total	100.0	74.6	73.6	69.2	68.1
Private education					
Enrollments-number	0	85305	93434	110715	130054
% of total	0	25.3	26.3	30.7	31.9
Total					
Enrollments – number	164507	336141	354489	360590	407720
%	100.0	100.0	100.0	100.0	100.0

Sources: Statistical Yearbook, 1998; Novak, Jigau, Brancoveanu, Iosifescu and Badescu, 1998; UNESCO, 1998, Sapatoru, 2001

Another aspect of the higher education restructuring after 1990, is the higher degree to which private higher education responded to the structural market demand, as compared to state higher education. In terms of specialization fields required the structure of demand changed to a large extent after 1990. Prior to 1990 engineering fields were in high demand, as the time Communist Party policy was “to develop the multi-lateral developed Romania”, by self-producing as many as possible manufactured goods. To fulfill this goal the society needed many engineers, need that was reflected in the higher number of places available in the engineering higher education as well as in the better position of engineers in society (higher wages, better access to top company positions). After

1990, there was an over-inflation of engineers and the demand increased for qualifications such as economists (as the shift towards a market-oriented economy needed more economic thinking within the companies as compared to the prior period of central planning) or jurists and lawyers qualification found in shortage at the beginning of 1990. Table no. 4 presents how the demand increased the most for fields such as law, economic studies and humanities.

Table no. 4 The structure if private higher education by field, 1989, 1994,1998

Fields of education	1989-1990	1994-1995	1997-1998
<b>Public education (%)</b>			
Technical	64.92	39.52	34.56
Agriculture	3.88	0.00	4.30
Economics	9.42	18.7	18.5
Law	1.44	6.04	4.29
Medicine	10.15	10.31	11.42
Humanities	9.62	23.49	24.59
Arts	0.57	1.93	2.33
Total public education	100	100	100
<b>Private Education (%)</b>			
Technical	0	0.08	0.28
Agriculture	0	0	1.29
Economics	0	37.65	36.71
Law	0	36.39	38.58
Medicine	0	7.33	3.01
Humanities	0	17.85	18.9
Arts	0	0.69	1.22
Total private education	0		100

Sources: Ministry of Education (1998); Sapatoru (2001)

The percentage of students studying economics in public universities has doubled between 1989 and 1998, while the law enrollments more than doubled in the same period. At the same time private higher education took advantage of the financial and organizatoric incapacity of the state education to take over the excess demand in these fields immediately and flourished (Invest, 2000). The structure of the private higher education enrollments show that law have the highest percentage (38.58%) in the total private education followed by economic studies (36.71%). The phenomena was also encouraged by the fact that for such fields there is no need for industrial equipment for laboratories as it is in an engineering-type of studies, so less investment is needed in didactic materials.

Taking into consideration the type of classes students attend (day classes/evening classes/extra-mural), in public education the percentage of day classes is higher than in private education (92% as compared to 67% in 1998), while the percentage of extra-mural is much lower in public education than in private education (5% as compared to 32% in 1998) (Ministry of Education, 1998). This shows that private education is addressing working people who are also willing to study at the same time and who have the money to pay for tuition fees.

Legislation governing education in Romania had known two stages of development after 1990:

- a) 1990-1993 period when new universities could be set up based on Law no.21/1924 concerning non-profit organizations and Law no. 35/1990 concerning the reorganization of enterprises from state companies in commercial companies. The loose legislation regarding education allowed the settlement of a large number of private higher education institutions, either as non-profit organizations or as commercial companies.
- b) the period after 1993 till present, when the need to regulate the quickly raising sector of private higher education institutions brought about the accreditation law (Law no. 88/1993 regarding the accreditation of higher education institutions and the recognition of diplomas) and other laws. In 1995 a new education law was passed, Law 84/1995, law that was revised in 1999 through Law no. 151/1999. According to the new legislation, all universities have to function as non-profit organizations, therefore all higher education institutions that have been organized as

commercial companies have been transformed in non-profit organizations. In 1997 Law no. 128/1997 regarding the status of the teaching staff was enacted to regulate the activity of the teachers. In the period 1998-2000 there were numerous Government decisions, orders and ordinances enacted to help the implementation of the reform re-launched in 1998.

An important element in the changes of higher education in Romania is the introduction of the accreditation process. Both systems, the state and the private higher education institutions are subject to accreditation and re-evaluation every 5 years. In 1994 (based on the accreditation law of 1993) the National Council of Academic Evaluation and Accreditation was established. The Council has 19-21 members appointed by the Parliament at the proposal of the Government. The president of the commission is proposed by the Ministry of Education. The Council functions by appointing specialized commissions formed of 7-9 members to analyze specializations in certain fields. The accreditation process has two phases, the temporary authorization and the accreditation.

a) The temporary authorization: an university may apply after 2 years of operation for temporary authorization. Among the conditions for a higher education institutions to get authorized are: 70% of the teaching staff has to be employed full time in education; 50% of the teaching staff has to be fully employed by that particular university and 30% of the teaching staff has to be full professors and senior lecturers. There is a shortage of fully employed professors in private higher education, at full professor and senior lecturer level. In 2000 there were around 47.000 teaching staff employed by public universities and around 7000 teaching staff employed by private universities (Edinvest, 2000). See table no. 5

Table no.5 Teaching staff in state and private universities

	Number of teaching staff 1999-2000	Number of students enrolled 1998-1999	Ratio students/staff
State higher education	47349	310285	6.55
Private higher education	7125	139339	19.56

Sources: Edinvest, 2000; Statistical Yearbook, 1999

We can notice that the ratio of the number of students/professor is 3 times higher in private universities than in state universities. The phenomena can be explained partially by the borrowing of teaching staff from public universities by private universities (the same professors are teaching in both state and private to the extent allowed by law), but also can raise a question mark over the quality of the teaching process in private higher education. Temporary authorization gives universities the right to organize admission and develop educational activities.

b) Full accreditation: an institution may apply 2 years after the first cohort of students graduated for full accreditation. To the already existing requirements (for authorization) some other adds up: 51% of the graduates have to pass the license exams organized by state universities approved by the Ministry of Education; 50% of the buildings have to be in the university property; 25% of the university yearly income has to be used for the development of the university own material base. Full accreditation gives universities the right to organize license exams and to issue their own diplomas recognized by the Ministry of Education.

At present, there is no private university accredited, but 23 institutions have been proposed by the National Council for Accreditation to be accredited and they are waiting to be approved by the Parliament.

The 1995 Law on education was meant to launch major transformations in higher education in Romania, but in reality the educational reform was launched only in 1998 when a new more entrepreneurial Minister of Education, professor Marga was put into place. The official declared objectives of the reform were (Marga, 2000; Korca, 2000):

a) to enhance access to higher education through increasing the educational offer in both quantitative and structural terms, increasing the access of minorities to higher education, improving the scholarship system. At present only 35% of the non-tuition fee paying students receive scholarships.

b) to improve the quality of higher education

c) to decentralize academic and financial management. Academic autonomy granted consists of the right and obligation to organize admission exams by themselves, by setting their own criteria, establish new programs that

have to fit into the national standards, update the curricula, as well as administrative autonomy over issues such as setting the teaching staff wages.

d) to encourage the partnerships between universities within the country and at international level.

In reality legislation has been promulgated and modified to support the educational reform but due to a weak implementation strategy (no specific programs have been developed to assist the application of different law provisions), the reform is going slowly but forward. At the end of year 2000 the political structure has been changed in Romania and even though so far no specific changes has been seen, this might affect the continuation of the educational reform and/or its direction.

Financing is a crucial aspect in the implementation of the university autonomy and for the entire functioning of the educational systems and it is one of the main components of the educational reform in Romania. The private higher education has as possible sources of financing: a) the collection of tuition fees from students; b) sponsorships and donations according to the sponsorship law and c) state funds from participating in competitions for research grants, if the university is accredited. So far it is no private university accredited and practically 90% of the private universities funding come from tuition fees (Edinvest, 2000).

The state higher education has been funded almost entirely from state funds in the period 1990-1998. The education law stipulates that 4% of the GDP has to be allocated to education, but the highest level of financing was reached in 1997 when 3.7% of the GDP was allocated to education. See table no. 6.

Table no. 6 Public expenditure on education 1993-1998

Years	1993	1994	1995	1996	1997	1998
% of GDP	3.2	3.1	3.5	3.6	3.7	3.6

Source: OECD, 2000

From 1998 the global financing was introduced in state higher education. According to global financing:

- 70% of the funds consists of base funding, meaning state funds allocated from the state budget according to the number of full-time equivalent students.

- 30% of the funds consists of additional or complementary funding, funding that will come from competing for public and private funds designated to research, from sponsorships, donations and from tuition fees.

Tuition – fees places were introduced in public education even since 1997, but the number was strictly limited. Since 1999 universities have the right to introduce tuition fee paying programs. Table no. 7 presents the evolution of the number of tuition-fee paying students in public higher education.

Table no. 7 The number of tuition – fee paying students in public higher education

Years	1997-1998	1998-1999	1999-2000	2000-2001
Number of students	2292	14131	37709	77050

Source: Ministry of Education (2000)

It can be noticed that the number of tuition fee paying students increased 33 times in the period 1997-2001, due to the change in legislation and this shows that tuition fees started to be an important source of financing for state higher education, too.

We can conclude that higher education in Romania undergone changes in the period 1990-2000, the most significant change being the appearance of the private higher education system. More recently the reform of the existing state higher education system was re-launched, but changes are in progress and results are to be expected in the future.

### **Motivation and purpose of the study**

Given the high increase in both state and private higher education in the last 10 years, in terms of number of institutions, number of student enrollments and more recently the number of graduates, it is of interest to search to what extent these educational services respond to the needs of their beneficiaries. There are three types of

beneficiaries for higher education: a) the individuals who are willing to improve themselves and to train better to enter the labor market by enrolling in higher education, b) the companies that are using the “products” of higher education, the knowledge and qualification that graduates (future companies’ employees) get through higher education and c) the society as a whole as the more educated the citizens of a country are, the more chances of development the country has. The present study will take into consideration one single category of education beneficiaries, namely the companies.

Therefore the study had the following purposes:

a) to identify to what extent the Romanian higher education fulfills the needs of the business community, as graduates of higher education are the source of qualified work force for companies. Both state and private higher education were envisaged when surveying companies.

b) to find out what is the perception and the attitudes of the business community towards private higher education. Given the high growth of private higher education on the one hand, the lack of accreditation of any higher education institution so far (2001) and the existing popular belief that private higher education is of lower quality than state higher education on the other hand, the study aims to find out to what extent this popular negative perception about private higher education is translated at the level of the business community.

## **Methodology**

The study was done through a survey within the business community from Bucharest, in the period September - December 2000. The companies included in the survey were private companies (over 50% private ownership) with more than 50 employees. These characteristics for the surveyed companies were considered to be the most suitable based on the following arguments:

1) private companies were chosen as they are expected to take more economically and efficiently oriented decisions than state-owned companies where past practices based on interpersonal relationships would be more expected and of less value for the purpose of our study.

2) companies with more than 50 employees were considered to have a higher employee turnover than smaller companies and therefore a larger experience with hiring, promoting and firing employees and probably more experience with both state and private university graduates.

The envisaged sample was of 120 companies representing 7.3% of the total population of 1645 companies with these characteristics from Bucharest. The sample was selected based on convenience, more precisely using the snow ball method, through which companies were accessed by existing acquaintances of the operators within the companies. There were approached 195 companies from which agreed to participate in the survey a number of 113 companies representing a 58% response rate and 6.8% of the total population of companies with those characteristics from Bucharest.

Human resource managers, General Managers and head of departments were envisaged as respondents within the company in their quality of decision makers in human resource issues. Other persons within the company who have knowledge about the human resource practices of the company and about the structure of employees (such as human resource department staff) were also interviewed when no access to higher rank personnel was possible. The data collection method used was filling in a questionnaire together with an operator through personal interviewing. The questionnaire had 4 sections: 1) the identification section asking identifying data about the company and the respondents 2) the statistical section asking data about the structure of employees, 3) the human resource information section and 4) the section asking for opinions about higher education systems, state and private.

### **Private versus public higher education: the perspective of the business community**

#### **Who are our respondents?**

We have been looking in companies as respondents for Human Resource Managers or General Managers or owners/managers or for any person who has knowledge about the structure of the personnel, about the human resource practices of the company and about the evolution of university graduates within the company. In some companies they had no human resource positions and the general managers will take all human resource decisions or decisions were delegated at the level of head of departments. In other companies that had a large human resource department and no access to managing staff was granted we interviewed human resource staff. Therefore, the



positions that different respondents held in the companies differed largely: from the 113 of the respondents 14% were co-owners and managers, 8% were General Managers, 23 % were Human Resource Managers, 24% were heads of departments and 32% had other positions such as human resource subordinates.

Our respondents had good experience within their companies and were knowledgeable of the human resource practices within the company, as the average number of years worked within the company was 5.8. The number of years worked within the company differed as expected according to the position held within the company, the higher the position the larger the number of years within the company. Those who were owners/managers had the highest number of years in their companies with a mean of 11 years, while General Managers had an average number of years within the company of 7 years, Human Resource Managers/ Personnel heads of department worked on average of 5 years within their companies, heads of other different departments worked for 6.5 years for the company, while staff of departments worked on average for 3.5 years within the company.

Most of our respondents were young, as the average age was 37 years old. This would imply a more open attitude towards new business practices. However the average age of respondents holding different jobs within the company differed again: owners/managers and General Managers had an average age of 45 years with a minimum of 28 years old and a maximum of 62 years old for owners/managers and a minimum of 26 years old and maximum of 80 for General Managers. The average age of the Human Resource Managers was 38 years old, the head's of department was 36 years old and that of other positions holders was 32 years old. Table no. 8 presents the proportions of respondents on groups of age:

Table no. 8 The structure of respondents base on age group

Age group	Number	Percentage (%)	Cumulative
23-30	35	31.8	31.8
31-40	35	31.8	63.6
41-50	28	25.5	89.1
51-60	8	7.3	96.4
Over 60	4	3.6	100
N/A	3		
TOTAL	113		

Sixty-three percent of our respondents are younger than 40 years old, that implies a high degree of openness to modern human resource practices and to new business practices.

In terms of education 90% of our respondents graduated a faculty only, 2% had also an MBA, 2% had another Master degree, 2% had two faculties, the rest did not graduate any faculty at all. Some of our respondents have been interested in self-improvement and pursued specialization studies in the Human Resource field (4%) and in other fields (11%). An economic background was common to 50% of our respondents, while 36% of them graduated a technical faculty, the rest graduating other faculties such as foreign languages, psychology and law school. Ninety one percent of our respondents graduated at state universities while, the rest of 9% graduated at a private university, structure that will also be correlated with the type of responses they had offered in the present survey.

### Who are the participating companies?

There were no restrictions as the field of activity of the companies included in the sample was concerned. Consequently we had a large variety of domains represented in our sample of companies. Most of the companies belonged to the service sector (71%), while the rest belonged to the production sector (28%). The fields most represented were: trade (wholesaling and retailing) 29%, different types of services for other companies (13%), financial activities (11%), building and construction (7%), food production (6%) and telecommunication (5%). From the point of view of the ownership type there was also a large variation as presented in table no. 9 .

Table no. 9 The structure of respondent companies according to the ownership type

Type of ownership	Number of companies	Percentage (%)
Private Romanian 100%	54	48.6
Private Romanian > 50% + foreign	10	9
Private Romanian >50% + state	3	2.7
Private foreign > 50%	26	23.4
Private state 100%	18	16.2
TOTAL	112	100

Almost half of the companies were private domestic companies and this will be reflected in more Romanian specific human resource practices, as well as a more local mentality in appreciating the evolution of graduates. The second highest category was the private companies with more than 50% foreign property (23.4%) and the third category the entirely foreign private companies (16.2%). The almost 30% where the majoritary property belongs to foreigners are expected to display a different approach to human resource activities according to the provenience of the foreign capital and the home business practices. From the 54 companies with foreign capital from our sample, 57% had as main source of the foreign capital Western European companies and 23% had as main source of capital North American companies, the rest coming from other countries such as Arab countries or countries from Central and Eastern Europe.

All the companies included in the sample had majoritar private capital, but the year when they became majoritary private either by privatization, take-over, forming a joint venture or simply setting up a private company ranged from 1968 to 2000. By 1995, 65% of the companies had already over 50% private capital, the rest of 35% companies became private in the period 1995-2000, with 2 companies being set up in 2000. The more years of experience as private companies, the more years of experience with 100% decision power, the more economically oriented decisions are expected to take.

Most participating companies (70%) had/have experience with private university graduates, while 30% declared that they had never employed a private university graduate. Therefore most the companies were able (based on their own experience) to appreciate and to compare the activity of state university graduates with that of private university graduates. The companies that did not employed private university graduates were asked to comment only on the activity of the state university graduates but they were asked to give their general opinion about both the state and the private higher education systems. There was a percentage of 8% of the respondent companies that did not hire recently graduated individuals and these were the companies that hired very few or did not hire any at all new employees in the last 10 years.

#### Private and state university graduates statistics

All respondent companies had an average number of 23 recent graduates of which 7 were private university graduates. Table no. 10 presents the situation of recent graduates (including private graduates) on types of industries:

Table no. 10 The structure of companies according to the industry type

No	Industry	No. of companies	Recent graduates	Private university graduates	Ratio private/recent graduates
1	Food industry	3	11	3	0.27
2	Textile industry	3	7	2	0.28
3	Leather and shoes industry	4	28	7	0.25
4	Wood processing industry	3	6	3	0.5
5	Chemical industry	3	9	3	0.33
6	Metallurgy, machines industry	2	7	2	0.28
7	Electric and optical equipment	1	10	2	0.2
8	Transportation means industry	1	2	2	1
	TOTAL PRODUCTION	20	9	3	0.33
9	Building	4	20	2	0.1
10	Trade (wholesaling and retailing)	22	33	10	0.3
11	Hotels, restaurants	1	16	5	0.31
12	Transportation	3	5	2	0.4
13	Mail, telecommunication	6	21	7	0.33
14	Financial activities, insurance	7	41	13	0.31
15	Real estate, renting and other	7	22	6	0.27
16	Education	1	16	0	0
17	Health and social security	1	10	2	0.2
	TOTAL SERVICES	52	28	8	0.28
	TOTAL	72	23	7	0.3

The services sector one of the most dynamic sectors of the economy had the highest number of recent graduates: 28 persons on average per company with an average of 8 private university graduates as compared to the production sector in which the average number of recent graduates was of 9 persons per company, with an average of 3 private university graduates.

The real estate and the trade sectors had the highest in-coming flow of recent graduates (41 and 33 on average) and of private graduates (13 and 10 on average). If we look at the rate between private and recent graduates, we can notice that the ratios are similar between industries, ranging from 0.20 to 0.35 private graduates/recent graduates with exceptions in the transportation means industry, the wood processing industry and in the transportation, industries with higher ratios, ranging from 0.40 to 1. We cannot appreciate that these industries had a higher degree of acceptance of private graduates than others because the number of companies involved is small. However, we can conclude that on average 20 to 35% of the recent graduates hired by the companies in our sample come from private universities. This figure is similar to the percentage of the private university graduates in the total number of graduates at country level that was 35% in 1999, being an indication that on overall private university graduates find jobs after graduating.

The study also looked at the degree to which companies hired students as either permanent or temporary employees, with a two fold purpose: 1) to get an indication of the companies' willingness to work with people still part of the learning process, people who are actually being trained by companies while they are still studying (being either state or private university students) and 2) to get an idea over the size of the working student population. From our sample, 64% companies had students as their employees, while 36% companies did not hire students. The proportion is close to the proportion of those companies who hired recent graduates as opposed to those that did not. (70%/30%), showing the fact that most companies (64% from the total of 70%) that hired new personnel in the last

years and were willing to work with young people would take both recent graduates and students. Table no. 11 presents the average number of students hired in the sample companies.

Table no. 11 Students in employment

Students categories	Average no./ company
Students total	7
Permanent	4
Temporary	3
Students from state	6
Permanent	3
Temporary	3
Students from private	3
Permanent	2
Temporary	2

Students from state universities have a higher degree of employability in our sample as compared to the number of students from private universities, the average number of state students per company is 6 as opposed to 3, the average number of students from private universities. This does not keep the proportion of the number of students at private universities from total number of students at national level that in 1999 was of around 30%. This would imply that private university students hold jobs to a larger extent than state university students. Even though the proportion of permanent and temporary average number of employed students was equal for both state and private universities, the maximum number of temporary employed students reached 167 for state students and 71 for private students, as compared to the maximum number of permanently employed students that was 30 for state students and 13 for private students. Companies that do employ students, prefer employ more temporary students for temporary jobs than permanently employed students.

On overall we can appreciate that Romanian companies are willing to work with students and this is a positive factor for studying individuals for gaining the experience so required to find a job after graduating.

According to gender, the average number of male employees with higher education employed by the companies in our sample (32) is higher than the similar number of woman (26). Over time there was a shift from a generally male dominated personnel structure to a more equally-distributed gender structure (even more feminine): if we look at the recent graduates we can notice that the average number of male higher education employees was 41 and the similar number of female employees was 43. The aspect is even more accentuated in the case of graduates of private universities for which the average number of male employees was 30, as compared to 40, the number of female employees.

We can conclude that the number of female graduates is increasing and consequently the proportion of women with higher education is increasing within companies, that can in the future contribute to the change of cultures of organizations and attitudes towards employees with or without higher education.

### **Human resource policies and practices**

All companies declared that they do not make any difference between their human resource policies and practices for state university graduates and for private university graduates. The same recruitment methods were mentioned to be used for both state and private graduates, with the most frequently used methods being newspaper ads, unsolicited requests from graduates and recommendations of employees, colleagues and acquaintances and the least frequently (never or sometimes) used being the un-employment offices and the use of lists with ex-employees of the company.

The steps followed by companies in selecting higher educated employees differ slightly for state university graduates and for private university graduates. For state university graduates the overall sequence of actions in the selection process (according to the frequency with which they were mentioned as being used) is:

- 1) handing in a personal file (92%)
- 2) interview with the General Manager (77.7%)

- 3) interview with the direct manager (65.2%)
- 4) practical test (64.3%)
- 5) interview with the human resource department (54.5%)
- 6) collecting references about the candidate (47.7%)

For the private university graduates the most frequently mentioned steps in the personnel selection process are:

- 1) handing in the personal file (91.8%)
- 2) interview with the General Manager (74%)
- 3) practical test (70%)
- 4) interview with the direct manager (67%)
- 5) interview with the line director (60%)
- 6) interview with the human resource department (56%)

It can be noticed a high degree of centralization in selection decision making as an interview with the General Manager was the second most frequently step in the personnel selection process for both private and state university graduates. The overall selection steps used for the two types of graduates were different: a) for the state university graduates getting recommendations and references for candidates was part of the most frequently followed steps and b) for private university graduates a larger emphasize was put on practical tests, a higher number of interviews with all line managers up to the General Manager was part of the selection process, leaving out the use of recommendations and references.

Most of the companies consider that employees require continuous professional training and 61.3% of them dedicated funds for employees training activities in the last 3 years. Foreign companies invested more in training their employees as their budgets were much higher than those of Romanian companies. Table no. 12 presents the average amounts of money declared as being invested in training employees in both Romanian and foreign companies.

Table no. 12 Average training budgets in 1998-2000

Budgets/years	Romanian companies	Foreign companies
Average training budget 1998 (\$)	3972	23611
Average training budget 1999 (\$)	3227	34790
Average training budget 2000 (\$)	4786	43295

As far as the wages of employees are concerned 90% of the companies declared that there were no differences between the wages of state and of private university graduates. The statement was mostly confirmed by sizes of wages of different categories of employees. Table no. 13 presents the average wages for employees with coordination and for employees with subordination positions for Romanian and foreign companies.

Table no. 13 Average wages of employees at the end of 2000

Employees	Romanian companies	Foreign companies
State graduates on managing	495	625
Private graduates on managing	525	710
State graduates on subordination	227	277
Private graduates on subordination	220	285

Wages for both managing and subordinating personnel are with 20-25% higher in the foreign companies than in the Romanian companies and this would be an incentive for a graduate (beside other aspects such as organized career opportunities) to choose a foreign company than a Romanian company for employment. If we compare the wages of private and state university graduates, we can notice that on subordinate positions state university graduates had slightly higher wages (with 5%) in Romanian companies, while in foreign companies and on managing positions private university graduates had slightly higher wages (with 5-10%). Even though the proportion of wages state/private graduates can not be generalized, the situation in the sample companies is an illustration of the fact that private higher education graduates can perform very well and be remunerated accordingly.

When asked about the performances of state and private university graduates according to the number of years of work-experience, the companies appreciated that generally graduates with no experience in practice have good to satisfactory performances, while graduates with 5 years of experience were appreciated as having good to very good performances. Graduates from state universities were considered to have better performances both at the very beginning of entering the labour market as well as after 5 years of working experience. See table no. 14.

Table no. 14 Performances of graduates immediately after graduating and with 5 years of working experience

Performances of employees	1 = very good, 2 = good, 3 = satisfactory, 4 = weak, 5 = very weak
State graduates with no working	2.32
State graduates with 5 years working	1.58
Private graduates with no working	2.57
Private graduates with 5 years of	1.73

Asked about the way graduates of private and state university graduates had promoted within the company, most of respondents (73%) appreciated that there were no significant differences between them.

As a preferable option, 85% of the companies stated that they prefer that the educational system to offer them rather specialists than generalists, but there were made differences according to the type of jobs: for engineering and more technical-related jobs, specialists were preferred, while for administrative or less technical jobs generalists and more open-to-other fields graduates were preferred.

When asked to state if there were positions within the company in which 5 years ago were working employees without an university degree, but on which at present work employees with university degrees, 26.1% mentioned that there were such situations. On the opposite situation of the positions on which 5 years ago were working employees with university degrees and at present work employees without university degrees, only 13.5% stated that there were such situations in their companies. Even though on over all there were no huge changes (as more than 60% mentioned that there were no changes) in the job requirements, the existence of more companies in which persons with university degrees work on positions that 5 years ago were designated to non-graduates, illustrates two incipient tendencies within the Romanian society: a) the lack of sufficient jobs for university graduates, determining them to take jobs with lower-qualification requirements and at the same time b) the increase in the required qualifications for different types of jobs.

Companies appreciation regarding the ratio between the supply and demand for work force depended on the type of jobs to some extent, but there were also contradictory opinions for the same positions depending on the company's needs, requirements and expectations. On overall half and more of the companies considered that the demand for work force is lower than the existing qualified working force (graduates) on the labour market. In other words there are more qualified people than existing jobs to absorb them. Contradictory appreciations were made in the case of marketing, sales and finance/accounting specializations, where a large percentage (around 35%) of companies stated that the demand for qualified work force is higher than the supply of qualified work force, in other words that there are more jobs than qualified individuals to occupy them in the field of marketing, sales and finance/accounting. This is an indication over the necessities of the business community for these qualifications and consequently for degrees in these fields, as well as the necessity for a better quality more-practically oriented educational services, as the present graduates in the fields are appreciated as not being sufficiently qualified for some companies.

### **State and private university graduates – strengths and weaknesses**

From the total of 113 respondents of our survey, 99 respondents answered to this question, representing 87.6%. Of these 62 respondents (representing 62.2% of the 99 who did offer an answer to this question and 90% of the companies that do have private university graduates) commented about both state and private university graduates. Twenty-two percent considered that state and private university graduates have similar strengths and weaknesses and 77.7% made a difference of what these two types of graduates do better or worse.

Table no. 15 Strengths of state and private university graduates

No crt.	State university graduates- strengths	No.	%	No crt.	Private university graduates -	No.	%
	TOTAL respondents	99	100		TOTAL respondents	62	100
1	Good theoretical knowledge	58	58%	1	Good theoretical knowledge ??????	11	19%
2	Seriousness, conscientiousness	20	20%	2	Openness to new	9	14.50%
3	Openness to new	15	15%	3	Desire for self-improvement	8	12.90%
4	Adaptability, flexibility	15	15%	4	Adaptability, receptivity	7	11.90%
5	Foreign languages	12	12%	5	Foreign languages	5	8%
6	Computing	12	12%	6	Computing	5	8%
7	Competence, efficiency	9	9%	7	They have a good practical spirit	4	6.50%
8	Motivation in profession	9	9%	8	Team spirit	4	6.50%
9	Team spirit	9	9%	9	Enthusiasm	4	6.50%
10	Professionals	8	8%	10	Seriousness	4	6.50%
11	Hard working, ambitious	8	8%	11	Motivation	3	4.80%
12.	Desire for self-improvement	7	7%	12	Ambitious, young	3	4.80%
13	Enthusiasm	6	6%	13	Initiative	3	4.80%
14	Creativity	5	5%	14	Loyalty	2	3.20%
15	Work under pressure	5	5%	15	Creativity	2	3.20%
16	Initiative	4	4%	16	Make fast decisions	2	3.20%
17	Intelligence	3	3%	17	Resistant to stress	2	3.20%
18	Perseverance	3	3%	18	Know to sell well their work-force	2	3.20%
19	Self-confidence	2	2%	19	They orient well in related domains	2	3.20%
20	Promptness	2	2%	20	They assume risks	1	1.60%
21	Loyalty	2	2%	21	Easy going	1	1.60%
22	Maturity	1	1%	22	Desire for earnings	1	1.60%
23	Structured thinking	1	1%	23	Desire to show that they are as good	1	1.60%
24	Honesty	1	1%	24	Intelligence	1	1.60%
25	Desire for earnings	1	1%	25	Competence	1	1.60%
26	Easy-going	1	1%	26	Punctual	1	1.60%

The main strength of state universities graduates that was mentioned by 58.5% of those who answered this question was that they have good theoretical knowledge. Graduates of state universities are considered by the majority of respondents that they have a good theoretical knowledge, they know their field well, they have a thorough education and they are well specialized. However, it was noticed that some (6%) mainly the younger respondents (with ages between 20 and 35) considered that the theoretical knowledge obtained by state university graduates is not sufficient, or is too broad giving birth to unspecialized graduates (“graduates who do not know to do anything very well”), or the knowledge they received and have is out-of-date. As compared to private university graduates, state graduates are perceived as having far much better professional knowledge, as only 19% respondents considered that private graduates have good theoretical knowledge (most of the respondents being those who did not make any difference between the strengths and weaknesses of graduates from state/private universities, of which 33% were graduates of private universities themselves. At the same time, the main weakness of private university graduates is considered by 35% respondents to be the lack of knowledge or insufficient knowledge, the fact that they have a weak education and limited understanding of facts and information. So, while for the state university graduates the knowledge they have is considered to be the main strength, the same aspect is the main weakness for private university graduates.

The second ranked strength of state university graduates was a high degree of seriousness, conscientiousness and scrupulousness. Twenty- percent of the respondents appreciated that state graduates take their jobs seriously and do their jobs thoroughly, while only 3 % appreciated that state graduates are superficial and are not doing their jobs seriously. By comparison, the private graduates were appreciated as doing their jobs conscientiously by only 6.5%,

while 11.2% considered that they are superficial: lack rigurocity and seriousness when doing their jobs, are not punctual and do not take it seriously.

Openness to new was another highly ranked strength of both categories of graduates from state and private universities. Fifteen percent of the respondents appreciated that state university graduates are open to new, have a high willingness to learn new things, they are open to new, they look to the future and are willing to improve themselves. Similarly, the private university graduates were seen as open to new by 14.5% of the respondents. This feature is considered a strength in the present period when the society, including organizational culture, structure, strategy is changing continuously. At the same time, there were a few respondents (3%) who considered that state university graduates are not open to new and are reluctant to accumulate new things from fields not related to their own field.

Adaptability to new technologies, to new jobs, to new tasks, to new situations is another highly ranked strength for both categories of graduates: 15% for state university graduates and 11.2% for the private university graduates. At the same time, 5% of the respondents considered that state university graduates are not sufficiently adaptable to the organizational culture, are not flexible and pliant to new tasks, while only one respondent (representing 1%) considered that private university graduates are inflexible at the work place.

Knowledge of foreign languages and of computing come next as strengths of both state (12%) and private (8%) university graduates. There were 3 respondents (3%) who appreciated that state university graduates do not have enough foreign languages and computing knowledge, evidently this factor varies also with the person.

Another strength of state university graduates was considered to be their professionalism. These graduates are considered to be thorough in fulfilling their task, doing it with an analytical mind by 9% of the respondents, while other 9% of the respondents consider that they do their job competently and efficiently. There was only one person (1%) who mentioned that state university graduates are not productive. There were only singular comments on the private university's graduates competency and professionalism as a strength, and the comment was made by a respondent who made no difference between the two categories of graduates. In the opposite position were 3 respondents (4%) who considered that private university graduates have a low efficiency at work, as well as a low competence and lack of promptness in doing their job. Ambition, hard working and a mobilizing character were also mentioned as strengths of state university graduates by 8% of the respondents and by 4.8% for private university graduates.

Capacity of team working was considered a strength for state university graduates by 9% of the respondents, while other 6% considered that state university graduates are not team players. By comparison private university graduates were considered to be able to adapt to team work by 6.5% of the respondents and an equal proportion (6.5%) considered that they do not have the capacity to work in teams. The contradictory answers show that capacity to work in teams is not really developed during higher education programs. Some graduates coped better than others in the given situations, due to factors not necessarily related to their experiences they had while studying in universities: the effort of some companies to train their employees in team building, while others only require from them to behave in a certain manner, without offering support. They actually expect graduates to have such skills from previous learning. Also the personal affinity towards team-working of different individuals can influence their behavior and consequently the appreciation of our respondents.

Motivation for self-improvement and for performing well at the work place, as well as the desire for career development are both strengths of state university graduates (9% and 7%) and of private university graduates (4.8% and 12.9%).

Other types of strengths mentioned with regard to state university graduates were: enthusiasm (6%), creativity (5%), initiative (4%) and working under stress (4%). At the same time, as far as initiative is concerned, other respondents considered that state university graduates lack initiative (8%), that makes it rather a weakness than a strength. Some characteristics (such as enthusiasm, power of work, adaptability) can be associated rather to the youth-ness of the graduates and their abilities, capacities and way of thinking at that age, and not necessarily as a merit of graduating a higher education institution. Table no. 16 includes also other positive aspects of state university graduates that there were mentioned only singularly by different respondents.



Table no.16 Weaknesses of state and private university graduates

No crt.	State university graduates-weaknesses	No.	%	No crt.	Private university graduates -weaknesses	No.	%
	TOTAL respondents	99	100		TOTAL respondents	62	100
1	Lack of practical experience	48	48%	1	Weak knowledge	22	35%
2	Lack of initiative	8	8%	2	Lack of practical experience	22	35%
3	Do not adapt to team work	6	6%	3	Superficiality, lack of seriousness	7	11.2%
4	Out-dated knowledge	6	6%	4	Do not adapt to team work	4	6.5%
5	Lack of communication	5	5%	5	Loyalty, fidelity	3	4.8%
6	Adaptability	5	5%	6	Lack of initiative	3	4.8%
7	Low involvement	4	4%	7	Lack of communication	2	3.2%
8	Value personal interests more than company interests	4	4%	8	Too high expectations	1	1.6%
9	Impatience, wish to be promoted too fast	3	3%	9	They want only financial advantages	1	1.60%
10	Capacity to make decisions rapidly	3	3%	10	Low competence	1	1.60%
11	Too high expectations	3	3%	11	Not punctual	1	1.60%
12.	Low loyalty	3	3%	12	Tend to criticize all the time	1	1.60%
13	Low self confidence	2	2%	13	Inflexible	1	1.60%
14	Superficiality	2	2%	14	Do not resist at high effort and pressure	1	1.60%
15	Reluctance to accumulate other things	2	2%	15	Value personal interests more than company interests	1	1.60%
16	Lack of structured thinking	2	2%	16	The complex of absolving a private university	1	1.60%
17	Want too much money	1	1%	17	Low efficiency	1	1.60%
18	Too self-sufficient sometimes	1	1%				
19	Lack of productivity	1	1%				
20	Lack of seriousness	1	1%				
21	Resistant to new	1	1%				
22	Do not know computing	1	1%				
23	Do not resist to a loaded schedule	1	1%				

Talking about the weaknesses the business community thinks state university graduates have, there was one main weakness mentioned by 48% of the respondents, namely the lack of practical experience, practical knowledge. State university graduates are considered to have no connection whatsoever with the practice when graduating and this makes their integration into the work place lengthy and difficult from the perspective of the companies that will like graduates to be able to do the specific job of the company in a little while after graduating and being hired.

There were a number of other weaknesses of state university graduates mentioned but none of them was so deeply felt by the business community as the low capacity to apply theory into practice. Such other weaknesses were: the lack of initiative (8%), low capacity to work in teams (6%); out-dated theoretical knowledge (6%), as well as lack of communication (5%), adaptability and flexibility (5%), low involvement and lack on interest (4%), personal interests have priority in front of company's interest (4%).

There were also other aspects considered to be liabilities of state university graduates, that were mentioned by either one or two respondents such as: they are constantly looking for new work-places, they have too high expectations in a short period of time, cannot make decisions quickly, they lack a structured way of thinking, they lack self-confidence or they are too self-sufficient.

We have noticed that many aspects (such as initiative, knowledge, team-work, adaptability, a structured way of thinking) were considered by some strengths and by others weaknesses. This could be a reflection of the fact that there are some other factors that do influence such aspects besides their learning in university. For instance, the culture of an organization can encourage its employees to take initiative or the contrary can impede them. Also the personal factor can have an influence here as there are persons who naturally are initiators and others who are more obedient, or conservative. The theoretical knowledge was considered by most (58%) as a strength, but some others, usually the young respondents and those who work in companies that use the latest techniques and procedures in all fields, have much higher expectations and therefore considers the knowledge graduates receive in universities is not enough or it is out-dated.

Taking into discussion the private university graduates there was no strong asset that would overtake the others. The highest rank in strengths was good theoretical knowledge (19%), but this was also considered by more respondents a liability of the private university graduates (35%), so we rather consider this an weaknesses than a strength. Similarly to the state university graduates among the strengths of the private university graduates, were: openness to new (14.5%), desire of self development (12.9%), adaptability (11%), knowledge of foreign languages (8%) and computing (8%), enthusiasm (6.4%), ambition and dynamism (4.8%), initiative (4.8%) and other that can be seen in table no. 16.

There were a number of assets some respondents considered the private university graduates have and the state university graduates do not have: they have better practical experience and knowledge than state university graduates (6.5%), they know to sell their work-force better than the state university graduates (3%), they can make faster decision-making than the others, they wish to prove they are as good as the state university graduates. From the 6.5% of the respondents who answered that private university graduates are better in terms of practical knowledge and experience, just 1% was a graduate of a private university himself.

As far as the weaknesses of private university graduates are concerned, there were two main aspects standing out: lack of sufficient theoretical knowledge (35% of the respondents considered this) and lack of experience and practical knowledge (another 35% of the respondents). The third weak point was considered to be the superficiality and lack of thoroughness of these graduates (11.2%). Such other weaknesses of private university graduates can be seen in table no. 16.

It was interesting to look at the answers of the eight respondents (representing 7%) of our sample who graduated at private universities. Their answers in comparing graduates of state and private university graduates varied to some extent:

1. Two respondents gave no comments about the private university graduates, only about the state university graduates; one of which mentioned that state university graduates are better trained than the others.
2. Another one considered that private university graduates are better trained to resist to stress and frustration, as they have to sit final exams at state university in order to get their final diploma and this is perceived as a stressful experience. He also considered that state university graduates have a higher degree of trust in themselves, as compared to private university graduates who are complexed by the fact they graduated a private university.
3. Three respondents treated graduates as having exactly the same strengths and weaknesses, two of them specifically mentioning that they “do not make any difference between graduates of state and private universities and hey do not understand why others do!” (even though this was not the question because regardless of the difference the company does or not through its policy, people can have different strengths and weaknesses that may be related to what and how they have learned, or of individual features).
4. One respondent gave similar strengths and weaknesses for the two categories of graduates and mentioned as one more strength of private university graduates the fact that they do know more foreign languages than the state university graduates.
5. One respondent mentioned that private university graduates have better practical experience than the state university graduates.

Given somehow the rivalry, or better said the popular recognized superiority of state universities, there is the danger that some of the answers of our respondents to be subjective according to the higher institution they graduated: either state or private: the private university respondents to consider private higher university graduates better and the state university respondents to consider the state university graduates better. The danger manifests in the case of

young respondents who are closer in time and emotionally of the education act, while the over 40 years old become more objective and appreciate their employees according to the solely company's needs.

Some other opposite declarations about the state and private university graduates were, this time coming from state university respondents were:

“Private university graduates are better getting around related subjects to their field while, state university graduates need more time to learn other things than the ones they are specialized in”

or

“State university graduates have better theoretical knowledge than private university graduates, while private university graduates are better in practice than the state university graduates”

or

“ State university graduates lack experience, while private university graduates have some life and practical experience”

or

“ State university graduates are thorough and serious when doing their jobs, while private university graduates are less thorough, they don't think too much when making decisions and this is an asset because they make fast decisions, but can be a liability as well, as sometimes the decisions are not the best as they were not thought at, enough”

Some other respondents mentioned different characteristics for the two categories of graduates without opposing them. For instance,

“ State university graduates are efficient, they have a high degree of self-confidence, but they are less flexible, while private university graduates are receptive, adaptable and have practical spirit, but they need better theoretical and conceptual knowledge” (this respondent graduated first a state university and than a private university and was able to make the comparison from his own personal experience)

or

“State university graduates are serious and have good theoretical knowledge, but they overdo it sometimes, while private university graduates have initiative, have the capacity to work in teams, but they lack seriousness, are not punctual and they tend to criticize all the time”

or

“State university graduates have specialized knowledge, have good foreign languages and computing knowledge, but they lack practical and managerial experience, while private university graduates are strongly motivated, they have better experience in relating-domains and are more aggressive with the clients (in the good sense), but they have a weak professional training and are superficial”.

To conclude, the main 3 strengths of the state university graduates as quoted are: good theoretical knowledge and specialization (58%), seriousness and conscientiousness (20%) and adaptability and openness to new things (15%; 15%). The main 3 strengths of private university graduates as quoted are: good professional knowledge 19% (but this was over-passed by those who thought it is a weakness 35%), openness to new and willingness to learn (14.5%), the desire for self-development (12.9%) and adaptability, receptivity, flexibility (11.2%).

At the same time, the main 3 weaknesses of state university graduates were: lack of practical experience and knowledge (or the capacity to apply in practice what they have learned) ( 48%), lack of initiative (8%) and team spirit (6%), out-dated knowledge (6%). The main 3 weaknesses of private university graduates are: weak knowledge (35%), lack of experience (35%), superficiality and lack of thoroughness (11.2%). Appendix no. 1 presents strengths and weaknesses of both state and private university graduates side by side in the same table for the purpose of easier comparison.

Based on our respondents comments we can characterize state university graduates as having good knowledge and being serious and thorough in doing their job, but who have as main weakness the lack of practical experience. At the same time private university graduates are perceived by some as being more flexible, adaptable, with a higher degree of initiative and practical spirit and these are assets. But, the same features are mentioned as weak points: they know how to get around things (by being adaptable, flexible, with practical spirit), but not necessarily doing a

thorough job, as they are seen as being superficial and lacking knowledge. One respondent commented on this aspect:

“They and their parents are sly, are crafty, they know how to get around things, how to solve things, but they are not really serious and willing for hard work”.

So, the main contrasts state/private university graduates are:

- good knowledge/weak knowledge
- seriousness, thoroughness/superficiality
- lack of initiative/ adaptable, flexible

and the main similarities referred to:

- lack of practical experience (main weakness for both categories)

Strengths and weaknesses of the educational systems: the state and the private

From 113 respondents 97 respondents (85.8%) offered comments on the state educational system and 82 respondents (72.5%) offered comments on the private educational system. The fifteen respondents who did comment on the state educational system, but did not comment on the private educational system, justified the non-response by the lack of information about the system. They are usually persons over 35 years (50%) who lost contact with higher education for a while. This can be a reflection of the lack of information the public gets about private higher education, and about higher education in general.

The managers of the companies commented on the strengths and weaknesses of the state higher education system, indicating as the main strength the high level of education they offer, the professionalism and the good theoretical knowledge (32.9% of the respondents) and as the main weakness the lack of practical knowledge (40.2% respondents).

The three main strengths of the state educational system were considered to be the good theoretical knowledge (32.9%), professors well prepared (25.7%) and a high degree of seriousness in conducting the educational act (23.7%). All three strong aspects are related to each other: well prepared, experienced and sometimes passionate professors ensure a thorough, disciplined, professional and demanding educational act and consequently offer a high level of education through a good syllabus.

Other positive aspects of state higher education were: demanding admission exams (18.5%), a good image given by a long academic tradition (12.3%), its gratuity (9.2%), diplomas that are recognized by the Ministry of Education (8.2%), the fact that they offer students different facilities such as scholarships, housing, canteens (5.1%), the fact that it attracts the best prepared high school graduates and consequently has good students in general (6.1%). Other positive aspects of state education are comprised in table no. 17.

Some of the respondents (12.3%) considered that the state higher education has a good material base, while others (27.8%) considered that state universities have a bad material base: they lack computers, they lack the latest specialty literature (mainly foreign) from their libraries, they have cold class-rooms during the winter, they have out-of-date furniture and they lack equipment in laboratories. Of course it depends of the respondents expectations, some of them compared the material base of state universities with some weakly equipped private universities and considered it good, some others compared it with the modern standards of a western university and considered it unsatisfactory. We rather include the state university material base among the weaknesses of state higher education, as a higher percentage of respondents have this opinion and as we know that since 10 years the investment in the material base of state university was minimal.

On the weak side, companies appreciate (40.2%) that the state higher education does not offer sufficient opportunities to apply in practice the concepts that are learned, it is 90% theoretical and does not emphasize the practical side sufficiently. Some even mentioned: “it has no connection with the real world, with the practice”. It is in essence a system that teaches knowledge but no skills, what companies would really like graduates and future employees to have. This negative aspect is deepened even more by the fact that state higher education is perceived as not taking into account the market demands by 21.5% of the respondents. In state universities the knowledge is

out-of-date, the syllabus is overloaded with general subjects that are completely irrelevant or useless, therefore not complying

Table no. 17 Strengths of state and private universities

No crt.	State education system strengths	No.	%	No crt.	Private education system- strengths	No.	%
	TOTAL respondents	97	100		TOTAL respondents	82	100
1	Good theoretical knowledge	32	32.90%	1	Good material base	25	30.40%
2	Good professors	25	25.70%	2	Flexibility, adaptability	20	25.6%
3	Seriousness in the educational act	23	23.70%	3	Professors are better stimulated financially	10	12.1%
4	Tough admission process	18	18.50%	4	Good professors (coming from state universities)	9	10.8%
5	Good image, tradition	13	13.4%	5	Financial resources for development	8	9.7%
6	Good material base	12	12.3%	6	Diversity of programs and subjects	5	6%
7	Gratuity	9	9.2%	7	Better connected with the practice	5	6%
8	Diplomas recognized by the Ministry of Education	8	8.2	8	Access to information, co-operation with foreign univ.	4	4.8%
9	Attracts well prepared high school graduates	6	6.1%	9	Good theoretical knowledge	3	3.6%
10	Offers facilities: scholarships, housing	5	5.1%	10	The tuition fees stimulates students to study	3	3.6%
11	Good quality education	4	4%	11	Increases the educational offer in Romania	3	3.6%
12.	Collaborates with foreign universities	3	3%	12	It is catching up	2	2.4%
13	Exigency during the process	2	2%	13	Higher agressivity on the educational market	1	1.2%
14	International recognition	2	2%	14	Better specialization	1	1.2%
15	Willingness for change of decision making factors	2	2%	15	Good housing for students	1	1.2%
16	Diversity of programs/subjects	2	2%	16	Inter-disciplinarity	1	1.2%
17	Diploma better seen in the labor market	1	1%				
18	Educates in the spirit of personal discipline	1	1%				
19	Competitive environment	1	1%				

with what is needed in the market place. The number of places in universities is considered to be high as compared to the necessities of the labor market. The lack of flexibility and adaptability of state higher education is mentioned by 4.1% respondents. Even more 11.3% respondents appreciated that state universities do not “produce” specialists in any field, students learn a lot of things, a lot of generalities, but there is no clear specialization, as one respondent put it : “they do not culture the care for details, for thoroughness”. We can notice that the state higher education is considered not to comply neither with the quantitative demand of the market, nor with the qualitative demand.

Other weaknesses of the state higher education comprised aspects such as:

1. the financial condition: the lack of funds that does not allow higher education to improve its material base (10.3%); bad housing and catering conditions (6.1%), low remuneration of the professors that is reflected negatively in the educational process (4%). One respondent even mentioned the phenomena of loosing the well prepared professors who go to private universities where they are better remunerated.

2. the educational process is perceived as declining in quality as compared to the past by some: a lower exigency in the admission exams and the exams during the years of study (6.1%), the interest of students and professors is decreasing (4%).

By comparison, private higher education is perceived as being more flexible and adapting the programs to the market demand by 19.5% of the respondents. Related to this are the higher diversity of programs and subjects mentioned by another 6% of the respondents. But private higher education it is also accused of producing a too high number of graduates, without taking into account what the labor market can absorb ( 3%), as well as of not producing specialist graduates (3%).

Or some others just do mention their bad impression about the state higher education:

- out-of-date and boring teaching methods due to the lack of initiative and creativity of professors, mentioned by 8.2% of the respondents. Also, related is the authoritarian way of teaching mentioned by a number of respondents (7.2 % ) with remarks such as:

“state education does not encourage the interaction between students, we interact based on our interest outside the faculty”

or

“the organizational culture is rigid, it is a top-down mentality, the initiative of the students is limited”

or

“ the relationship between students and professors is very distant, it should be a mentor- apprentice relationship in order to foster learning”

or

“ professors are glorifying themselves instead of trying to make students understand. They should work with the students’ minds not with their memory”.

- not well prepared professors (5.1%)

- some diplomas are not recognized internationally (4.1%)

- not enough foreign languages and computing is studying according to some (2%).

3. university management is another aspect considered weak by 11.3% of respondents due to: a weak financial and institutional management, inertia in implementing change (change of programs, change of syllabus, change of professors, change of other staff, change of teaching style) (4%), do not help students to find a job (do not orient students’ careers), lack of preoccupation in creating an image for the university and transmit it to the media, corrupted way of according scholarships.

4. its organization is considered to be weak by 3% of the respondents due to the high bureaucracy and the complicated administrative routine.

Table no. 18 Weaknesses of the state and private educational systems

No crt.	State education system weaknesses	No.	%	No crt.	Private education system-weaknesses	No.	%
	TOTAL respondents	97	100		TOTAL respondents	82	100
1	Lack of practical skills	39	40.20%	1.	Lack of exigency at the admission	27	32.9%
2	Inadequate material base	27	27.80%	2.	Inadequate material base	21	25.6%
3	Does not take into consideration the market demand	19	19.50%	3.	Weak theoretical knowledge, weak education	14	17%
4	Does not create specialists	11	11.3%	4	Superficiality in the educational process	11	15.7%
5	Lack of financial resources	10	10.30%	5	No practical skills	12	14.6%
6	Out-dated teaching methods	8	8.2%	6	High tuition fees	9	10.9%
7	Bad mentality of the professors	7	7.2%	7	Lack of own professors body - inadequate professors	7	8.5%
8	Unprepared professors	6	6.1%	8	It's interested more by the turnover than to ensure a good quality	6	7.3%
9	Bad housing and catering services	6	6.1%	9	No/weak recognition from the Ministry of Education/labor market	6	7.3%
10	Decreasing exigency at admission and in the process	6	6.1%	10	Disinterest of students and professors	5	6%
11	Inertia in adopting change	4	4%	11	Bad reputation	4	4.8%
12.	Does not offer career advice	4	4%	12	Less prepared high school graduates as candidates	4	4.8%
13	Professors badly motivated financially	4	4%	13	Professors with outdated mentality	3	3.6%
14	Rigidity, inflexibility	4	4%	14	Weak organization	3	3.6%
15	Diplomas not recognized internationally	4	4%	15	Low specialization	3	3.6%
16	Decreasing interest of professors and students	4	4%	16	Low facilities: housing	3	3.6%
17	Weak organization, high bureaucracy	3	3%	17	Does not take into account the market demand	3	3.6%
18	Too many graduates	2	2%	18	Instability	2	2.4%
19	Insufficient foreign languages	2	2%	19	Outdated teaching methods	2	2.4%
20	Insufficient computing	2	2%	20	Non-competitive environment	2	2.4%
21	Limited access to information	2	2%	21	Rigidity	1	1.2%
22	Lack of preoccupation for image and mediatization	1	1%	22	Bad management	1	1.2%
23	Lack of real financial autonomy	1	1%	23	Low access to information		

Taking into discussion private higher education, again its main strength it is also perceived as one of the main weaknesses. The most quoted (30.4%) strength of private higher education is a good material base, that is also quoted as a weakness by 25.6% of the respondents. The explanation of this contradiction stands in the high degree of

eterogeneity of the private higher institutions. All private higher institutions started by using rented space at the beginning of 1990. For most of them the conditions were precarious, not adequate for an educational act: as class rooms were used cinema halls or ex-plants' canteens and they had no libraries, no laboratories, no housing. For the ones that managed to take off, this situation changed dramatically: they have new modern buildings, libraries, housing, good logistics, performing equipment (computers) most of them better than the state material base, as it is new. Some others remained to an inadequate material base as one respondent put it "some have nice buildings, but others I don't know why they call themselves universities". An aspect specifically mentioned by 3.6% of the respondents was the insufficiency of housing in private higher institutions.

The fact that part of the private higher institutions have very modern material base, while other part have very poor material base, transmits mixed messages towards the public and the community business. The appreciation of our respondents depend probably on the personal experiences each had or on what it heard about such institutions. We would rather consider this aspect a strength, not only because more respondents shared this opinion, but because we consider that the universities who are going to succeed in the market by being accredited and by attracting more clients will be the ones who managed by now to create an adequate material base. The others will probably "die" by themselves through the lack of clients. An explanation of the contradiction may be that our respondents made their judgments on not so actual information, as all the private universities were in a similar (bad) situation 10 years ago, but the progress was very fast and if the judgement is based on a 3-5 years old information may be completely wrong as compared with what the material base of that university is today.

Coming back to the main strengths of the private higher education the second quoted (25.6%) asset was the flexibility and adaptability of private higher education. Private higher education is seen as taking into considerations the market demand to a higher extent than state higher education by adapting its programs. Of these 6% of the respondents specifically mentioned the diversity of the programs, of the specialization and of the subjects taught in the programs as being another asset of private universities.

The situation of the professors, as a main element in running the educational act, was also discussed by our respondents: Twelve percent of the companies' managers considered that because professors are better paid in private universities they do a better job there, they do put a higher effort in teaching there. Another 10.8% of the respondents considered that private higher institutions have good professors either because they are the same good professors from state universities (6%) or because they are well chosen and they try to maintain the image of the university. There were also opposite opinions: 8.5% of the respondents considered as a weakness the fact that private universities do not have their own professors' body (and have to borrow from state universities). They also considered that professors are not experienced enough, or that the professors' selection procedure is too loose attracting unsuitable individuals as professors.

However, the conclusion is that there is generally a good image about the professors' body of private universities: either by borrowing from state universities or by literally taking them from state universities (the phenomena of migration of state university professors towards private higher education). Indeed this is the case especially with before-retirement professors who do prefer to go to private universities for a higher salary that will help them get a higher pension in a few years. Also this transfer satisfies the demand of private higher universities, that in order to be accredited need that 50% of their professors to be their own, of which 30% to be full professors and senior lecturers. And especially at the beginning they could find full professors and senior lecturers only at state universities.

Other positive aspects of private higher education as seen by the business community were: the availability of financial funds that they can use as they wish, this autonomy giving them, the possibility for self-improvement (9.7%), the fact that higher education in private universities is more tight with practice and develops an entrepreneurial spirit in its students than the state universities (6%), access to the latest information and good collaboration with counterpart universities from abroad (4.8%).

The fact that both private higher education and private graduates are perceived as being better at practice by some (6%), as well as lacking practical experience by others (14.6%), can be also be explained by the nature of the candidates for this type of education. Some of these individuals have high entrepreneurial skills and a good entrepreneurial spirit but lack theoretical education, this being the reason why they want to go to a private university. They are usually mature students (in their 30's) persons who did not manage to get into a state university



at their time (in their early 20s- according to the tradition in Romania) . So if this is the source of practical experience and entrepreneurial spirit, it has to do less with the educational system itself, but with the type of individuals it attracts.

Private higher education enlarges the educational offer in the Romanian market and this is considered to be a positive aspect by 3% of the respondents as “private universities give a chance to those who want to follow an university and did not get into a state university”. Also specific to private higher education is the fact that “paying the fees will increase the responsibility of students for the educational act” (3%).

Private higher education confronts other problems than state higher education according to the business community. If the 3 main weaknesses state higher education has are: lack of practical skills (40.2%), weak material base (27.8%), and the fact that does not take into consideration the market demand (19.5%), in the case of private higher education these are: the permissive admission system (32.9%), the bad material base (25.6% ) for some of the universities (but we decided to treat this aspect as an asset), offers a weak education (17%), the high degree of superficiality in the educational act (15.7%), as well as the lack of practical skills (14.6%).

Traditionally (state university system) in Romania the entrance into a university is very selective and takes place based on a tough examination (2-3 difficult written tests). That is why the very permissive entrance (based on very easy exams) into private universities is considered to be a weak aspect. Up to this academic year (2000-2001) private universities would organize their admission sessions immediately after state universities admission session (in order to get those candidates who did not pass the entry exam at a state university) with very easy to pass examinations. This made the process less selective, letting almost anybody in. The explanation is seen in the financial interest of private universities to attract as many as possible students in order to reach the break even point. Starting this academic year state universities were allowed to have fee-paying places at universities in the so-called distance learning forms of education (an extra-mural form of education with intensive training sessions twice a year). For this type of places the Ministry of Education does not limit the number of places and there was no exam to be sit either. This is not the case of the already existing fee-paying places, that are limited to a low number of individuals who did sit the admission exam organized for the free of charge places but did not get the last mark for admission, but got the immediate marks below (in the limit of the tax -paying places).

The result of this phenomena was that candidates when they were given the possibility preferred to come at state university programs and pay tuition fees and get recognized diplomas, than to go private universities.

Private universities organized no admission exams this year in order to stop as many as possible potential candidates to go to fee paying state university places.

The easy entrance in private universities associated with the easy getting through the process in the private higher education institutions still maintains the image of a low quality education putting the state universities in a favorite position from both points of view.

The weak education offered by private universities (17%) is seen as not enough knowledge, a reduced assimilation of the offered knowledge, a reverse proportionate dimension of the quality-price relation. The superficiality of the educational act (15.7%) is seen as lack of seriousness, low attendance of students to classes, permissive examinations. One respondent even mentioned “ It does not punish enough financially those who fail their exams”.

The money issue was also brought into discussion as a weakness too, besides the fact that others seen it as a strong point of private university as it gives financial autonomy. As weaknesses money is discussed in two forms: too high tuition fees (10.9%) and related to the educational process private universities are perceived by 7.3% of the respondents as being more interested in collecting money than offering a good quality education. Comments such as:

“they fail students at exams because exams are payable, so they get money out of it”

or

“they should be promoting students who learn – and these are less in number- and not those who have a lot of money, but have doubtfully prepared for the exams”.

came from respondents who are graduates/students of private higher institutions themselves.

There were also referred to, some other negative aspects related to the educational process:

- a high degree of disinterest (lack of interest) of professors and students (6%),
- professors with a bad mentality (3%), as one respondent put it “professors have an attitude of des-consideration for the students” or another “the students are induced a feeling of inferiority”
- there is weak competitive environment (2.4%)
- the educational process is rigid and uses non - participative teaching methods (3%).

The risk of not getting a recognized diploma is another weak aspect of the private higher education: 3.6% respondents indicated the risk of not getting the diploma recognized by the Ministry of Education (from an accredited university) and another 3.6% respondents indicated the risk of getting a weak recognition of the diploma in the labor market.

A negative image and a bad reputation was considered a weakness of the private universities by 4% of the respondents. One respondent said “Private higher education is an unsuccessful copy of the state higher education”. Others 3% mentioned the instability and lack of certitude associated with studying at a private university as a negative aspect. Such a lack of certitude is driven by the risk of obtaining a non-recognizable diploma from an university with a bad reputation. Of course, as in the case with the material base, these appreciations are dependent on the concrete experiences that our respondents had or heard of private higher education institutions, experiences that can be pretty different, ranging from very good to very bad.

Negative aspects of the state higher education, were also indicated for the private higher education too: bad management and weak organization, lack of compliance with the market demand in terms of quantitative and qualitative terms. By comparison with the state higher education institutions, 3% of the respondents appreciated that private universities are less organized in functioning.

Another difference that was made between the state and the private higher education was the quality of candidates: 4.8% of the respondents mentioned that high school graduates attracted by private universities are less prepared, while 6.1% of the respondents indicated the same thing as a strength of the state higher education system: “candidates attracted by state universities are better prepared, are the best”.

The main contrasts of state/private higher education systems are:

- tough admission/easy admission
- thorough educational act/superficial educational act
- offers good knowledge/offers weak knowledge
- free of charge/costly
- good image/bad image
- well prepared high school candidates/less prepared high school candidates
- lack of funds/funds available
- bad material base/good material base
- rigid/flexible
- offers insufficient practical skills/develops practical oriented minds (to a certain extent)

There were a few aspects indicated as weaknesses of the both educational systems, the state and the private: lack of sufficient practice and practical skills, inadequate teaching methods, weak corellation with the market demand in terms of quality (programs) (there were also opposing opinions as well) and quantity (number of graduates), bad management and organization.

Looking at our respondents’ answers about both graduates of state and private universities and the systems themselves we can conclude that, while the state education has a positive image (tradition) that works in its favor, the private education has still an negative image (bad reputation) that works against it. It is as a vicious circle: state universities have goods results (based on good educational acts) and generates a positive image and consequently attract well prepared candidates who will have good results in the education process and in the labor market later on. Private universities have bad results and generate a negative image in the market and this attracts weak prepared candidates who will later have less-performing results in school and in the labor market. It can also be the case that due to of some really under-qualified graduates of private universities (results of very weakly prepared candidates on the one hand and on the financial-related promotion of students on the other hand), the image about the whole

cohort of graduates and the system itself to be negative. Also the less-performing private university graduates might be tougher judged than the less-performing state university graduates in the labor market due to the bad image of the system.

However, recently private higher education it is improving its image, mainly through its material base that is modern and through its higher flexibility in adapting to the market requests (as perceived by respondents). Private universities offer something different than state universities: they generally eliminate useless subjects (the traditional general subjects of the first two years from state education) and they do offer different specializations, interdisciplinary programs that are more various than the state programs and are welcomed by the public and the business community. As a few respondents commented:

“private universities are catching up”

or

“ private higher education comes from behind”

or

“private universities become more and more competitive”.

We can conclude that the strengths of the state higher education are the weaknesses of private higher education (rigorous admission process, conciousness in the educational act, good education, positive image) and the weaknesses of state higher education are the strengths of private higher education (material base, flexibility and practical experience). State higher institutions have tradition and a stability, but the dark side of this is translated in rigidity, while private higher education has flexibility but the dark side of this is superficiality. This drives us to the conclusion that the ideal higher education system has to have the positive characteristics of both state higher institutions and private higher institutions.

### **Proposals for the improvement of higher education coming from the business community**

Of our total of 113 respondents 83% (94) offered proposals for the improvement of higher education. Table no. 19 presents the main business community suggestions, ranked according to the frequency they appeared in our respondents' answers.

Table no. 19 Proposals for higher education improvement – the business perspective

Proposals	Frequency
Increase practical skills	57.40%
Improve material base	27.60%
Better respond to the market needs	22.30%
Modernize the teaching methods	18%
Increasing exigency at admission and during the study	12%
Increase salaries of professors	11.70%
Eliminate useless and out-of-date disciplines	10.60%
Increase cooperation with foreign universities	10.60%
Access of all students to internet	7.40%
Studying at least 2 foreign languages	6.30%
Up-dating the courses	5.30%
Studying more computing	3.10%
Possibility for students to choose the classes they wish	
Better correlation of the syllabus of different disciplines	2.10%

In concordance with the weaknesses mentioned for graduates of higher education and for the education systems themselves the proposal suggested by the majority of respondents (57.4%) was to increase the level of practical experience of the students. A number of actions can contribute to this: a tighter connection with the companies, a longer period of practice for students during their studies, meetings of students with specialists from industry either

by students visiting the companies or/and inviting people from the industry to classes, giving more examples from practice in classes, introductions of more disciplines practically-oriented, recruiting teachers who work in the industry, including more exercises and practical projects during classes. The need for a more practical oriented education is related to another recommendation coming from the industry, namely a better correlation of the university programs with the requirements of the industry (22.3%). A practical oriented education is in fact an education that responds to the needs of the industry. Some other respondents (10.6%) put it as the proposal to better specialize the different educational programs. If we add these proposals we can appreciate that almost all respondents (90.3%) advised for a more demand oriented educational offer, being it expressed as a more practical education, better related to the industry or better specialized programs. This is a general proposal, but there were some other proposals that would fit into concrete ways how to make education more related to the practice and therefore to the industry demand. Such suggestions included: reduction of the useless, outdated and very general disciplines (10.6%); the actualization of the courses (5.3%) as well as modern teaching methods (18%). There is the case that some professors keep teaching what they were teaching 15-20 years ago and even-though some theoretical concepts stay the same over time, there is need for actualization in examples and even theories. In politehnics there are disciplines that explain in very detail some technological processes that in practice are done very quickly by an automated equipment. Also especially in the case of the state education, the program of the first two years of a 4 year program is composed of general disciplines some of them with no connection with the specialization. (For instance, subjects as geography, history, technology are taught in programs in the economic field).

But the best way to relate higher education with practice, (and we would like to translate this in teaching students practical skills) is by modernizing the teaching methods used in class. The traditional way of teaching in higher education in Romania is lecturing, a teaching method suitable for large classes and for transmitting information, but not suitable to teach skills, what is actually required by the industry and by the students themselves (as the consumers of the educational services). That is why the introduction of new modern teaching methods such as visual methods based on overhead projectors and video-projectors, as well as introduction of more exercises and case studies inspired from reality are suggested for improvement of the teaching process. A few comments of the respondents related to this issue are :

“The present boring lecturing that requires memorizing should be replaced by modern teaching methods such as interactive teaching or drawing conclusions from practical exercises”

or

“The learning method should be changed, now students memorize some papers without asking themselves questions”.

Further in order to be able to improve the teaching methods there are necessary a few things: the improvement of the material base (the suggestion of 27.6% of the respondents) and the improvement of the professors body (9.5%). New rooms or renovated rooms for classes for reading are necessary, new libraries equipped with the newest specialty literature (books and magazines) Romanian and foreign, equipment for laboratories as well as accommodation and catering facilities. A better, more professional body of professors is suggested to be obtained by a better selection of professors, by replacing old professors with young ones and by training professors. Of course the improvement of both aspects (material base and professors body) is related to the financial resources, as 11.7% of the respondents proposed an increase in the salaries of professors as away to improve the teaching act:

“If the professor is not treated differently there is no way how education can be reformed” commented one respondent.

An improved professors' body would be translated in a new relation between the student and the professor based on a new mentality of the professor (also proposed by 5.3% of the respondents) and on the education of the students in spirit of a new attitude: discipline, punctuality, responsibility, communication skills, care for details, thorough study, team-work (also mentioned by 9.5% of the respondents). Some respondents made proposals for the increase of the financial resources of higher education: the increase of the amount allocated from the state budget (5.3%) and an increased cooperation with the companies in order to get sponsorships (3.1%), introducing tuition fees for all categories of students (1%).

Also related to the educational process there were proposals such as: an increase in the degree of exigency both at the admission and during the studying years (12.7%), an increase of the cooperation with foreign universities,

counterparts from other countries (10.6%), studying at least 2 foreign languages (6.3%), studying computing (3.1%), access of all students to internet (7.4%), the possibility for students to choose the classes they wish (2.1%), a better correlation of the syllabus of different disciplines (2.1%).

The co-operation with foreign universities is seen as a solution to improve the educational process through both students exchange as well as professors' exchange.

There were proposals for the introduction of new activities in universities: presentation of an offer of work-force for the labor market (3.1%), the creation of an information system by informing the candidates about what the faculty offers and by informing the students about what they are going to study (3.1%), to offer career advice to students (4.1%), the creation of some specializations according to the students' aptitudes (2.1%).

There are some of these proposals that can be put into practice through macro-measures, such as legislation or educational policy, but the majority of the proposals have to do with issues that theoretically can be solved at the level of university: the academic autonomy that was granted in 1995/1999 by the Education Law gives possibility to universities to do such changes. The problem is that in most higher education institutions, university management do not know how to design and implement such changes, and in those universities (there are a few in Romania: West University from Timisoara. Babes-Boyay University from Cluj, Alexandru Ioan Cuza University from Iasi) where management was more entrepreneurial and introduced some changes in the above mentioned directions, the time from introduction is still short in order to generate a massive change of opinions in the labor market and industry.

Some of the proposals can be put into practice through measures at both levels, at the Ministry level and at the university level: they can be generated at Ministry level and implemented with the ministry help at university level.

### **Conclusion of the survey**

All companies declared in unanimity that they make no difference between the graduates of state universities and graduates of private universities when they make hiring decisions and other human resource decisions. Mainly this occurs due to the legislation that guarantees equal hiring opportunities for both types of graduates. In spite of these statements there was a contradiction between the non-differentiation statements and the equal treatment statements on the one hand and the companies subsequent statements regarding the strengths and the weaknesses private graduates employees on the other hand. The experiences that companies had with graduates of state and private universities were different, whatever the unique equal treatment policy they had. As long as the main two strengths of state universities graduates (good knowledge and seriousness) were considered at the same time the main two weaknesses of private university graduates (weak knowledge and lack of seriousness), we are inclined to believe that such opinions influence, at least informally the hiring decisions, in spite of declared equal treatment.

To conclude, private higher education in Romania can not be considered neither an entire success nor an entire failure. As an element of success private higher education increases the educational offer in Romania by offering larger access to higher education and a larger individual choice. Also theoretically the private educational system encourages competition, even though in reality it is not considered to be a real competitor for state higher education, as they do address to different market segments. The private higher education system has a high degree of heterogeneity, with both high quality and low quality services. Its image as a functioning system is improving mainly due to a good material base and a high degree of flexibility, but at the same time its results are not the best as there is weak image of private university graduates.

Therefore, we can answer the question "Is private higher education in Romania success of failure?" in the following way:

1. From the organization/dotation/accreditation point of view private higher education it is a success as
  - there is a number of 23 universities close to accreditation (they have been proposed to be accredited and are waiting for approval) and the graduates of private higher education are accepted formally in the labour market
  - it has a good material base (some private universities)
  - it has an improving image due to its flexibility and adaptability to the market demands.
2. From the educational process point of view private higher education it is a failure as it has a bad image:

- offers weak knowledge
- the educational process (in terms of admission and on-going programs) is seen as being weak.

3. From the results point of view private higher education it is more of a failure than a success as there is a weak image of the private university graduates:

- they have no clear/standing out strength
- they have a lot of weaknesses (weak knowledge, superficiality, lack of initiative, adaptation to team work, lack of communication skills)
- individual aptitudes are decisive in the hiring decisions of companies, not the university they graduated. A diploma gets them on the shortlist, but it does not secure them the job.

The image of private higher education is improving mainly due to two factors a modern material base (a tangible element of the educational services) and due to the perceived flexibility and adaptability of the programs and of the disciplines to the market demand, as compared to the rigidity of the state higher education. At the same time the old well known of the private higher education are maintained: to easy admission, lack of seriousness of the educational act, aspects that generates a weak image for the graduates who are perceived as having weak knowledge and lacking seriousness.

Looking at the way the business community sees higher education in Romania, both state and private, it can be concluded that neither of them satisfies the demands of the business community as one of its main beneficiaries, as they are not practically oriented.

The ideal higher education institution would have the strengths of both educational systems. The question is who gets there first by managing to solve its weaknesses quicker?

### **Concluding in a larger context: higher education in Romania and the intergration in the European Union**

The integration into the European Union implies the realization of the *acquis communautaire* by each aspiring country and the use of common economic practices. As the higher education is concerned it is envisaged the formation of a unique open higher education European system (Van der Wende, 2000). This involves on the one hand the mutual recognition of diplomas and the emphasize on the economic role of higher education approached as “an industrial branch”, branch that supplies the economy with qualified work-force on the other hand.

1) If we consider the mutual recognition of diplomas and uniformization of higher education systems, we can exemplify countries that reformed the organization of their higher education systems by adopting the Bachelor-Master-Doctoral structure: Holland, Germany, Denmark and Finland in Western Europe and Russia and Bulgaria in Central and Eastern Europe. The main motive for aligning to the B-M-D structure was to obtain the international comparability of diplomas in order to facilitate the hiring of graduates within Europe in the context of liberalization of the work force flow. Other motives such as the attraction of foreign tuition fee paying students were mentioned by western European countries (Beverwijk and Lianne van de Maat, 1999). In Central and Eastern Europe the B-M-D system was adopted from legislative and organizatoric point of view, but it did not have the expected effects immediately. In Bulgaria, for instance, the introduction of the new structures was done by the division of the traditional long educational phase in two sub-phases and their renaming as Bachelor and Master. The result was that “a graduate of Bachelor was worth half Master “ and all bachelor graduates were willing to continue with the Mater degree in order to reach the number of years that was prior necessary to get an university diploma (Slantcheva, 2000)

2) If we consider the role of higher education in society, European Union integration implies changing the approach towards higher education from viewing it as a social institutions to viewing it as a primary economic institution (Gornitzka and Maassen, 2000). The traditional approach characterizes higher education as an institution whose role in society is to cultivate and maintain the cultural society heritage and to form the knowledge base of individual members of society. The second, the modern approach, the one that is promoted by European Union, sees higher education as the supplier of qualified work force necessary to the economy, work force whose role is to actively participate in the economic development of the society. Through this approach it is expected that the exposure to the market forces and the competitive pressure will generate an improvement in the educational management and

consequently will generate a higher adaptability and flexibility as well as a higher efficiency, based on an increased satisfaction of the "consumers".

There is a certain degree of tension between the two approaches. The traditional perspective of higher education that sees it as a social institution is dominated by the fear that the adaptation at the market forces gives priority to short term economic requirements at the expense of larger long term social responsibilities, putting in this way in danger the long term educational investment, especially in the societies where higher education is a public good. At the same time the modern perspective over education (that sees it as an industrial branch) is dominated by the fear that the in-adaptability and the lack of willingness of higher education to adapt to new market requirements will result in a loss of its importance in society (Clark, 1988). European Union option is clearly directed towards the modern approach that sees higher education as an important economic actor that supplies qualified work force to the economy, ensuring in this way a faster integration of the Union economies.

As far as Romania is concerned, education was one of the first five domains with which the negotiation process started with the European Union, being considered one of the domains with the highest degree of harmonization with the European legislation. The results of the present study gives us an indication to what extent higher education in Romania fulfills its economic role of provider of qualified work force for the economy, as it is envisaged for the integration in the European Union.

Regardless the differences that exists between the state and the private higher education, the two educational systems and their graduates have a number of common negative aspects (mostly related to the lack of practical skills) that makes us conclude that the higher education in Romania is still a social institution, not an economic one that provides qualified work-force for the economy. Aspects related to higher education that are being implemented in the countries of European Union: modernization, adaptation, diversification, marketization, competitiveness, orientation towards consumers, high quality of educational processes and services, tighter connections with the business community, improving of the educational management (Gornitzka and Maassen, 2000) were mentioned among the weaknesses of higher education institutions in Romania. We can conclude that in Romania higher education had rather a social role than an economic role, as it would be necessary for a faster integration in the European Union and there is necessary a shift towards a more economic role of higher education in society. One way of doing this is to deepen the educational reform by taking into consideration the demands of the main beneficiaries of higher education services: the individuals, the companies and the society as a whole.

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### Appendix no. 1 Strengths and weaknesses of state and private university graduates

No crt.	State university graduates- strengths	No.	%	No crt.	State university graduates -	No.	%
	TOTAL respondents	99	100		TOTAL respondents	99	100
1	Good theoretical knowledge	58	58%	1	Lack of practical experience	48	48%
2	Seriousness, conscientiousness	20	20%	2.	Lack of initiative	8	8%
3	Openness to new	15	15%	3	Do not adapt to team work	6	6%
4	Adaptability, flexibility	15	15%	4	Out-dated knowledge	6	6%
5	Foreign languages	12	12%	5	Lack of communication	5	5%
6	Computing	12	12%	6	Adaptability	5	5%
7	Competence, efficiency	9	9%	7	Low involvement	4	4%
8	Motivation in profession	9	9%	8	Value personal interests more than	4	4%
9	Team spirit	9	9%	9	Impatience, wish to be promoted too	3	3%
10	Professionals	8	8%	10	Capacity to make decisions rapidly	3	3%
11	Hard working, ambitious	8	8%	11	Too high expectations	3	3%
12.	Desire for self-improvement	7	7%	12	Low loyalty	3	3%
13	Enthusiasm	6	6%	13	Low self confidence	2	2%
14	Creativity	5	5%	14	Superficiality	2	2%
15	Work under pressure	5	5%	15	Reluctance to accumulate other	2	2%
16	Initiative	4	4%	16	Lack of structured thinking	2	2%
17	Intelligence	3	3%	17	Want too much money	1	1%
18	Perseverance	3	3%	18	Too self-sufficient sometimes	1	1%
19	Self-confidence	2	2%	19	Lack of productivity	1	1%
20	Promptness	2	2%	20	Lack of seriousness	1	1%
21	Loyalty	2	2%	21	Resistant to new	1	1%
22	Maturity	1	1%	22	Do not know computing	1	1%
23	Structured thinking	1	1%	23	Do not resist to a loaded schedule	1	1%
24	Honesty	1	1%				
25	Desire for earnings	1	1%				
26	Easy-going	1	1%				

## Appendix no. 2 Strengths and weaknesses of state university graduates

No crt.	Private university graduates-	No.	%	No crt.	Private university graduates -	No.	%
	TOTAL respondents	62	100		TOTAL respondents	62	100
1	Good theoretical knowledge ??????	11	19%	1	Weak knowledge	22	35%
2	Openness to new	9	14.5%	2.	Lack of practical experience	22	35%
3	Desire for self-improvement	8	12.90%	3	Superficiality, lack of seriousness	7	11.2%
4	Adaptability, receptivity	7	11.90%	4	Do not adapt to team work	4	6.5%
5	Foreign languages	5	8%	5	Loyalty, fidelity	3	4.8%
6	Computing	5	8%	6	Lack of initiative	3	4.8%
7	They have a good practical spirit	4	6.50%	7	Lack of communication	2	3.2%
8	Team spirit	4	6.50%	8	Too high expectations	1	1.6%
9	Enthusiasm	4	6.50%	9	They want only financial advantages	1	1.60%
10	Seriousness	4	6.50%	10	Low competence	1	1.60%
11	Motivation	3	4.80%	11	Not punctual	1	1.60%
12.	Ambitious, young	3	4.80%	12	Tend to criticize all the time	1	1.60%
13	Initiative	3	4.80%	13	Inflexible	1	1.60%
14	Loyalty	2	3.20%	14	Do not resist at high effort and	1	1.60%
15	Creativity	2	3.20%	15	Value personal interests more than	1	1.60%
16	Make fast decisions	2	3.20%	16	The complex of absolving a private	1	1.60%
17	Resistant to stress	2	3.20%	17	Low efficiency	1	1.60%
18	Know to sell well their work-force	2	3.20%	18			
19	They orient well in related domains	2	3.20%	19			
20	They assume risks	1	1.60%	20			
21	Easy going	1	1.60%	21			
22	Desire for earnings	1	1.60%	22			
23	Desire to show that they are as good	1	1.60%	23			
24	Intelligence	1	1.60%				
25	Competence	1	1.60%				
26	Punctual	1	1.60%				

Individuals graduated after 1994 when it was the first generation of private university graduates.