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V. Babaev, G. Stadnyk, T. Momot

*O.M. Beketov National University of Urban Economy in Kharkiv, Ukraine***BUSINESS AND ECONOMICS EDUCATION IN UKRAINE: KEY PROBLEMS & STRATEGIC PERSPECTIVES****(on the example of O.M. Beketov National University of Urban Economy in Kharkiv)**

*General issues concerning educational system of Ukraine have been examined, providing the overview macro-environmental factors that have influence on it. PEST and SWOT analysis have been conducted that helped defining key problems and possibilities for business and economics education in Ukraine. Each problem, as well as possibility, has been explored with determination of strengths, weaknesses, opportunities and threats. On the example of O.M. Beketov National University of Urban Economy in Kharkiv, the key problems of business and economics education have been identified. The most important strategic areas for O.M. Beketov National University of Urban Economy needs have been described. Relevant conclusions concerning business and economics education program have been made.*

**Keywords:** *higher education, business and economic education, factors, PEST analysis, SWOT analysis.*

**Problem formulation**

Due to the dynamic development of innovations and economics, a tendency has been observed in decreasing the number of jobs that do not require skilled workers. The professional knowledge becomes the main source of economic growth.

The implementation of a successful professional activity can be carried out only by a person who has a high professional and qualification level that meet the needs of the development of the economic sphere. It is important to understand that the educational process in the higher economic school should be aimed at the exchange of modern knowledge, practical application, the development of imagination and creativity, production of ideas.

The acquired knowledge and skills should help to effectively carry out the work of future specialists in the economic field, which will be one of the most important ways of preserving or obtaining work by future economists and is projected in the future in their quest for continuous self-improvement.

The problem of training specialists in the field of economics and the development of economic education in higher education in the context of globalization and European integration has been explored by such scientists as F. Altbach, V. Bobrov, A. Butinets, L. Kline, S. Mendlovitz, Y. Ligum, N. Nichkalo, B. Pleskovich, O. Padalka, F. Fukuyama and many others.

In our opinion, the opportunities for the development of economic education in Ukraine are very broad, and certain perspectives require additional coverage.

The aim of this study is to examine particular perspectives of business and economics education in Ukraine.

**Presentation of the main material**

The educational system of Ukraine is functioning and changing due to the changes of the political, economical, social & cultural and technological factors in the country.

In the area of education and upbringing are involved 7% of Ukrainian professionals who teach 11 million students (22% of the population).

It is important to note that even though Ukraine became independent from the Soviet Union 26 years ago, its educational system inherited a lot from its Soviet past. There is a wide range of universities in Ukraine that provide both free of charge and fee-paying education. Today, you can get the education in 313 universities, academies and institutes of Ukraine of 3-4th level of accreditation. Among them there are 220 state institutions, 93- non state. 54,9 % of state universities students get free education.

Ukraine has a long and proud history in terms of education. More specifically, the country has a long tradition in the field of mathematics. Ukrainian universities provide students with strong fundamental knowledge as they teach to look at the problem widely and find solutions conceptually. At the same time, curricula are left behind the needs of business and industry in general. Being ineffectively governed and mired in corruption, universities are not able to withstand existing global challenges.

The overview of the different macro-environmental factors was taken into consideration with the use of PEST Analysis.

**External key factors** that affect the University and the entire education system of Ukraine in general are the following:

**Political:** political instability increases the possibility for cross-border cooperation in different fields: new education

programs development (for example anticorruption educational programs); for business provide opportunity for raising foreign direct investments in the process of European integration.

**Economic:** economic crisis stimulates the development of innovative approaches aimed on solving existed problems in doing business in Ukraine. As a result, there is a necessity of new education programs introduction, especially, for adult students for quick upgrading their professional skills.

**Social:** problem of ageing populations fosters the development of the education programs for adult students, demographic changes (negative migration balance) demands English language education program development

**Technological:** possibility and demand for distance learning implementation have been significantly increasing.

**The internal key problems & possibilities are defined** with the use of SWOT analysis (Table 1).

Table 1

Key problems and possibilities of business and economics education in Ukraine

| Problems  | Possibilities   |
|---|---|
| 1. Low level of cooperation with business   | 1. Development of <b>Cross Border Networking Platform</b> for communication with business and discussion forum organization |
| 2. Low level of international partnership for the comparative prestigious education program development | 2. Development of <b>Cross Border Institutional Networking Platform</b> for establishing partnership with universities      |
| 3. Low level of practical education programs for adult students   | 3. <b>International Consulting and Professional Education Center</b> Creation   |

Table 2

Problem 1: Low level of cooperation with business

| Weaknesses (Internal perspective)  | Threats (External perspective)   |
|--|--|
| <ul style="list-style-type: none"> <li>- The large number of intermediaries, consultants when implementing business processes</li> <li>- Information asymmetry: foreign investors lack the knowledge about the features and advantages of investing in Ukraine</li> <li>- Low investment attractiveness of Ukrainian business</li> <li>- Incomprehensible for a foreign investors structure and reporting of Ukrainian enterprises</li> <li>- Ukrainian companies lack the understanding of investors' expectations</li> </ul> | <ul style="list-style-type: none"> <li>- the lack of capital for the implementation of promising projects, fixed assets update</li> <li>- Increase in the number of unprofitable enterprises and industries</li> <li>- Increase in the number of bankrupt enterprises</li> </ul> |

Table 5

Possibility 1: Development of Cross Border Networking Platform for communication with business

| Strengths (Internal perspective)   | Opportunities (External perspective)   |
|--|--|
| <ul style="list-style-type: none"> <li>- The establishment of partnerships between foreign investors and Ukrainian business</li> <li>- Consideration of alternative outlet markets</li> <li>- Increase of information</li> </ul> | <ul style="list-style-type: none"> <li>- Increase of investment attractiveness of Ukrainian enterprises</li> <li>- Increasing volumes of foreign investments</li> <li>- Sustainable economic development of the country</li> </ul> |

Table 4

Problem 3: Low level of practical education programs for adult students

| Weaknesses (Internal perspective)   | Threats (External perspective)   |
|---|--|
| <ul style="list-style-type: none"> <li>- Inconsistency of theoretical principles to modern practical realities of business</li> <li>- The reluctance of businesses to invest in education</li> <li>- Majority of Ukrainian companies do not understand the necessity of learning how to do business</li> <li>- Low confidence in educational programs</li> <li>- In majority cases Languages of instruction still is Russian or Ukrainian, there is a lack of English language training programs</li> </ul> | <ul style="list-style-type: none"> <li>- Companies' management ineffectiveness</li> <li>- The probability of large losses due to incompetence of staff</li> <li>- The complexity of strategic planning of further development</li> </ul> |

Table 3

Problem 2: Low level of international recognition, absence of international partner for the comparative prestigious MBA program development

| Weaknesses (Internal perspective)   | Threats (External perspective)  |
|---|---|
| <ul style="list-style-type: none"> <li>- Curricula are left behind the needs of business</li> <li>- Lack of interrelation of business and education</li> <li>- Inadaptability to the rapid changes in the external environment</li> <li>- Lack of incentives to study due to the high cost of additional education</li> <li>- Forced search of educational courses abroad</li> <li>- Professors do not always have the practical experience and it also affects the quality of education</li> <li>- Current financial motivation does not allow universities to attach practicing professors to teaching for a long time</li> </ul> | <ul style="list-style-type: none"> <li>- Lack of skilled professionals</li> <li>- Companies lose competitive positions on the market</li> <li>- A significant increase in spending on services of a large number of consultants</li> <li>- Unsubstantiated standardization and optimization of higher education in Ukraine</li> </ul> |

|  |   |
|--|---|
| transparency of Ukrainian companies<br>- Formation of the company's investment proposals that meet the expectations of foreign investors | - Support and maintain the business initiatives of companies looking to join the Europe market by providing strategic and logistical advice |
|--|---|

Table 6

Possibility 2: Development of Cross Border Institutional Networking Platform for establishing partnership with universities

| Strengths (Internal perspective)   | Opportunities (External perspective)  |
|--|---|
| - Emphasis on practical training of qualified managers<br>- Involvement of practitioners in the field of business activity<br>- Establishment of sustainable cooperation between universities and business<br>- Cooperation with international educational organizations | - Forming database of problem situations in the business for further development of training programs of different educational levels<br>- Increase of profitability of Ukrainian enterprises |

Table 7

Possibility 3: International Consulting and Professional Education Center Creation

| Strengths (Internal perspective)   | Opportunities (External perspective)  |
|--|---|
| - The introduction of innovative educational methods<br>- Emphasis on international experience and practices<br>- Development of programs that meet the needs of business<br>- Engagement of professors with experience of researching and teaching abroad | - Individual approach to customer needs<br>- Possibility of distance learning<br>- International certification<br>- The basis for creation of business school<br>- Possibility to incorporate different teaching styles and methods into educational system |

On the base of PEST and SWOT analysis we defined three key problems of the business education on the example of our university:

1. Low level of cooperation with business: Changes in business practice are essential to achieve progress in business education. During recent years, the University took steps to cooperate with business, namely in organization practices for students. This cooperation has been beneficial in creating positive actions at the short-term training for business.

2. Low level of implementation of practical international experience in education programs in Ukraine: difficult political and economic situation in Ukraine does not stimulate international experience and intercultural skills development.

3. Low level of practical business-oriented education programs for adult students: lack of up-to-day skills update programs that will help to gain complex knowledge, new patterns of thinking and new perspectives.

As a result, we conclude with the following results:

The dynamics of global business demands frequently update education programs. The following trends should be taken into account:

- Need for more Organizational Flexibility;
- Increased Demand for Sustainability;
- Globalization;
- Disruptive Events;
- Dynamic Competitive Strategies;
- Increased Rivalry.

New strategies, approaches, and tools are required in order to better manage this complexity.

As a result the most important strategic areas O.M. Beketov National University of Urban Economy needs to priorities are the following:

- to establish structured dialog with Business for providing long-term support in the establishment of strategic partnership in education;
- to establish structured dialog with Social Responsible Public Sector for building relationships and creating the networking for the cooperation in education;
- to establish structured dialog with the International Partners.

In such situation there is strong necessity to improve education infrastructure by means of facilitating continuing education programs for helping professionals advance skills, stand out in a competitive job market in cooperation with business partners and institutions.

The university should move on a significant number of directions to keep abreast of the competition, respond to a rapidly changing environment, and enhance academic strengths.

The special attention will be given to the Marketing (Competitive) Intelligence, which is a comparable young (management) discipline that provides decision makers with a range of concepts, theories, and above all support for making decisions.

## Conclusion

Based on the results of our research we conclude with the following:

1. Important trends in business education are: globalization, leadership, flexibility and customization, innovation and creativity, presentation skills.

2. Business education should view as a business opportunity. The university, for their own survival, need to provide students with access to needed knowledge through various types of training, internships, volunteering and other trainings (including summer schools etc.)

3. The practice that is composed with the theory is a background of the success. The university has to expand the practice of the business internship for the students in the successful companies and public institutions.

4. The university has to establish the tight cooperation with the acting NGO's and other social responsible institutions.

5. The emphasis is given to the business education hub – a space where working along industry leaders have developed comprehensive, easy to understand, readily applicable business seminars to prepare and help students become a successful business professional. In accordance with the international experience the business seminars include the following topics: how to develop professional business plan; how to pitch, publish and promote business plan for funding; how to deal with a bank; how to choose accountant; how to manage cash flow and budget; how to reduce costs of doing business; how to communicate; how to help clients pay for services; how to buy effective and affordable advertising; how to effectively use your computer and the Internet for business; what to do with the profits of business; how to exit business. Business education hub should become a training center which will provide potential, startups, and established business owners the opportunity to gain valuable skills to start, run and grow their businesses.

6. The current international trend shows the shift toward more experiential learning and business engagement. In such situation the business schools may be seen increasingly as learning laboratories rather than as the traditional classroom learning environment. Business schools become revolving, with models helping their alumni successfully respond to the business, leadership, and ethical challenges that emerge over a career life cycle. Furthermore, the business and business schools can explore new ways of facilitating knowledge exchanges that enable mutual learning from, and collaborative development of customized courses and programs for specific organizations or within corporate universities.

7. To start, business schools will need to place even greater emphasis on interdisciplinary collaboration across university campuses, particularly with schools of engineering and sciences. They will need partnerships with businesses, community organizations, and industry associations. These collaborations will leverage the strengths of different kinds of drivers and leaders within the innovation ecosystem and will permit to create a business school which will be:

- a. the catalysts for innovation;
- b. the co-creator of knowledge by creating platforms for incubating new management ideas, or to analyze big data across firms to better understand and customize talent development needs. Partnerships focused on education and training can provide a foundation for the pedagogical research

that in turn can support more contextualized learning methods and tools.

- c. the hubs for lifelong learning;
- d. the leader on leadership;
- e. the enablers of global prosperity. Business schools and their alumni have a positive impact on the world around them, though they still have opportunities both to more strongly reinforce the potential for positive impact and to ensure this message is more widely understood and embraced.

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**Author: BABAEV Volodymyr Mykolayovych**

*Doctor of Science in Public Administration, professor, rector O.M. Beketov National University of Urban Economy in Kharkiv, Ukraine*  
E-mail - [office@kname.edu.ua](mailto:office@kname.edu.ua)

**Author: Stadnik Grigory Vasilevich**

*PhD in Economics, professor, First Vice-Rector O.M. Beketov National University of Urban Economy in Kharkiv, Ukraine*  
E-mail - [office@kname.edu.ua](mailto:office@kname.edu.ua)

**Author: MOMOT Tatiana Valeriivna**

*Doctor in Economics, professor, head of the Department of Financial and economic security, accounting and audit O.M. Beketov National University of Urban Economy in Kharkiv, Ukraine*  
E-mail - [tvmomot@gmail.com](mailto:tvmomot@gmail.com)

#### **БІЗНЕС ТА ЕКОНОМІЧНА ОСВІТА В УКРАЇНІ: КЛЮЧОВІ ПРОБЛЕМИ І СТРАТЕГІЧНІ ПЕРСПЕКТИВИ (на прикладі Харківського національного університету міського господарства імені О.М. Бекетова)**

В.М. Бабаєв, Г.В. Стадник, Т.В. Момот

Харківський національний університет міського господарства імені О.М. Бекетова, Україна

*Розглянуто загальні питання, що стосуються системи освіти України, що забезпечує огляд макроекологічних факторів, які впливають на неї. PEST та SWOT-аналіз, які допомогли визначити ключові проблеми та можливості для розвитку ділової та економічної освіти в Україні. Кожна проблема, а також можливість, була досліджена з визначенням сильних сторін, недоліків, можливостей та загроз. На прикладі Харківського національного університету міського господарства імені О.М. Бекетова виявлено основні проблеми підприємницької та економічної освіти. Зроблено відповідні висновки щодо програми навчання освіти в галузі бізнесу та економіки.*

**Ключові слова:** вища освіта, бізнес та економічна освіта, фактори, аналіз PEST, SWOT-аналіз.