

# Hungary

## Demographics for Hungary

Population:	10,006,835 (July 2005 est.)
GDP (by PPP method):	US\$149.3 billion
Currency (inc code):	Forint (HUF)
Language(s):	Hungarian, others
Internet country code:	.hu

## Elementary and secondary education

There is compulsory school attendance in Hungary. Young people are required to attend school between the ages of six and 18.

Students typically spend eight years in elementary grades starting at age six, which may be preceded by one to three years in nursery school. Elementary (general) education is divided into two periods of study. The first one (between the age of six and ten) is called basic education (or lower school), whilst the second one (between the age of 11 and 14) is called upper school. Elementary education is followed by different sorts of secondary educational programs lasting one to four years. There is an opportunity to study in a vocational school or in a technical college or in a high school (grammar school). There are also secondary schools which include in their program the last two or four years of the elementary educational program. Students usually complete elementary and secondary education, grades one through 12, by the age of 18. The system as a whole is described and regulated by the Public Education Act.

The central government, the county and the local governments have shared responsibility to exercise control of education in Hungary. Hungarian government sets, for example, broad curricula policies. There is a so-called National Fundamental Curriculum. It prescribes the basic structure and level of knowledge requirements for each elementary grade and areas of study. The

curriculum is designed to provide a coherent educational experience for pupils completing all grade levels. However, these policies allow for variations across counties or even local education districts. The curricula also accommodate differences in learning styles, abilities, interests, and aptitudes. Thus, schools will offer a range of options and tracks. Pupils will select among them or be placed based on diagnostic counseling, academic performance, and consultation with parents and the pupil.

### **Higher education**

Graduates of technical colleges and high schools may continue their education in a technical or vocational institution, or in a two-year vocational/professional school of a college or a university. They also can enter a three-four-year college or four-six-year university. Technical or vocational institutions and professional schools offer post-secondary technical training leading to specific professional careers, such as assistant financial officer, assistant mechanical engineer, computer technician, etc. Two-year schools, either at technical or vocational institutions or offered by colleges or universities, typically offer specialized degrees, usually designated as certificates of competency (CC) degrees. Technical or vocational schools offer a selection of terminal or vocational programs that vary in length.

Until recently, Hungarian higher education had a dual system consisting of universities (egyetem) and colleges (főiskola). After joining the “European Higher Education Space” and the so-called “Bologna Process”, the Hungarian higher education system is under reconstruction. Universities are higher education institutions that are able to organize courses in more than one field of science or arts; and in several areas of study within a field of science or arts; they carry out scientific research activities and have accredited PhD and/or DLA courses. Colleges organize more than one educational program in a branch of science or in a field of the arts. Hungarian higher education institutions are autonomous, state or private institutions recognized by the state. From 2006, depending on the level of institutional accreditation, there will be undergraduate (BSc, BA) and graduate (MSc, MA) degrees offered by the institutions of the renascent higher education system. (Several institutions obtained the right to offer that kind of education in 2005.) In addition, universities with the highest level of accreditation, as before, will offer doctoral programs and degrees.

Studies leading to an old college-level diploma usually require three or four years of coursework, whilst a new bachelor’s degree normally requires three years of undergraduate coursework. Undergraduate studies are generally divided into two phases: a set of general course requirements in a broad range of subjects and a concentrated (or major) program of study in one or more subjects, such as business, information systems, sociology, or engineering, etc. Academic coursework completed at two-year colleges are usually transferable

to three-four-year colleges and four-six-year universities. Applicants to a three-four-year college or to a four-six-year university have previously been required to take an entrance examination, which complemented a distinctively high grade of secondary school leaving certificate. From 2005, a secondary school leaving certificate (with a distinctively high grade) is the only requirement to enter a higher educational institution. (There is a nationwide higher education entrance system managed and controlled by the Ministry of Education.)

Studies leading to an old university level diploma usually require five years of coursework, whilst a new master's degree normally requires two years of graduate coursework, beyond the bachelor's degree. Students complete their education at undergraduate and at graduate level with a final examination including the defense of a dissertation, with oral and/or written examinations prescribed in the qualification requirements, and – in several programs – with a successful internship.

A doctor's degree usually requires a minimum of three years of coursework completed, plus one additional year at least, for doing research work, beyond the master's degree. Policies and standards for admission into graduate and postgraduate programs usually include a strict entrance examination, application, high performance in undergraduate studies, and letters of recommendation. The so-called "State Language Examination" or other examinations in different world languages, also may be required in quite a number of courses (at least two of them at doctoral level) and for most of the applicants.

License to operate as an institution of higher education is issued by the Hungarian government, which has oversight and coordinating authority over higher education. The founder of an institution could be the Hungarian state, a private foundation or any other private establishment. The central government sets most of the general standards, regulates quality, and is involved with the operation of public institutions. The appendix of the Higher Education Act lists all recognized higher education institutions.

The Hungarian Accreditation Committee (HAC), established in 1993, is an independent, not-for-profit, public organization. It is responsible for accrediting and evaluating the quality of teaching and research at higher education institutions. If a foreign institution settles down in Hungary and wishes to award Hungarian degrees, the accreditation procedure is the same as for Hungarian institutions. If it awards the degrees of its homeland, it will be overseen by the HAC too and the authorization for operation comes from the central government (Ministry of Education). Accreditation recognized by the Hungarian Ministry of Education is required for institutions to be eligible for any sort of governmental financial support.

Institutions in Hungary operate using an academic calendar divided into two semesters (with very rare exemptions). It means that the calendar consists of two periods of study, each lasting about 15 weeks. An academic year generally

lasts ten months from September to June that usually equates to two semesters. The autumn semester runs from September to January whilst the spring semester runs from February to June.

The obligatory use of the ECTS compatible credit system was introduced in Hungary in September 2003, but several higher education institutions have already been using it since the middle of the 1990s. According to the governmental decree on the introduction of the credit system, one credit corresponds to 30 hours of student workload. The minimum number of credits for an old college-level degree is 210, a new undergraduate degree is 180 (210), for an old university-level degree 240, for a master's degree 120, for a further specialization degree 60, while for the doctoral degree it is 180.

### **Management education**

Management education in Hungary is provided by a wide selection of different organizations. Almost all management education that leads to a degree at any level is provided by accredited colleges and universities. Business programs within colleges and universities are usually managed and delivered by an academic unit in many cases referred to as a faculty of business (it might be found under many other names, such as college of business, department or faculty of management, faculty of commerce, business school, etc.). As regards non-degree management education, only a smaller part of those programs is run by colleges and universities. The main providers of that education, such as training programs for corporate employees, short management programs focused on particular topics, and executive leadership development programs, include consulting and training companies and chambers of commerce, etc. Corporations sometimes provide training to employees through their own education/training units. Big multinational companies often send their employees either to foreign educational institutions or to their parent company's corporate university.

Undergraduate education (leading either to old college-level degrees or to bachelor's degrees) in business and management is provided by colleges and universities. Generally, the program involves one and a half or two years of general studies and one and a half or two years of specialized studies in business. Internships in most of the cases are part of the program. Even if degree titles are strictly centrally regulated, there are variations in them, depending on tracks and majors. So degree titles signal curricular differences quite well. In the old system, Hungarian universities and colleges granted degrees following a binary pattern. Colleges and universities granted *Főiskolai oklevél* (college-level degree) and universities awarded *Egyetemi oklevél* (university-level degree). In both cases the name of the track and major is indicated. In the new system – in the case of business and management education the most commonly offered degree title might be the Bachelor of Business Administration. Most degree programs allow students to select a

major emphasis within business, which usually requires a minimum of six specialized courses in the area of emphasis.

Graduate business education includes the old, five-year university-level diploma programs and the new master's programs. Both kinds of business education include programs leading to a general business (master's) degree and programs leading to a specialized (master's) degree (e.g. Master of Human Resource Management, Master of Business/Management Information Systems, Master in Finance and Accounting, etc.), which provide specialized training within a specific field. Substantial variation has developed within each type, especially general business master's degrees. There are also wide varieties of further specialization degrees. These can be awarded after college or university graduation. These further specialization programs lead to new qualifications. Studies may vary in duration, from one to three years.

MBA's might be earned through a number of program types. Traditional two-year programs usually include study across four semesters spread over two academic years. First-year core courses are usually followed by more specialized study in the second year. Part-time MBA programs are designed for company employees who work during the day and attend classes in the evening. In most of the cases internships are not part of the program. Executive MBA (EMBA) programs are designed for working executives with significant management experience, many of whom are company sponsored. There are a number of different EMBA program structures, but it is quite common that the classes are held on weekends (Fridays and Saturdays) over two academic years. The diversity of MBA programs has provided students with a wide range of choices to meet their and their companies' special needs and circumstances.

The main condition for applying for doctoral training (postgraduate education) is a Hungarian university degree or its foreign equivalent. The admissions requirement is to take an entrance examination, but often other additional criteria are also set (e.g. professional experience). Business doctoral programs in Hungary prepare candidates to conduct highly specialized scholarly research. After completing doctoral courses and passing a number of written and/or oral examinations, the doctoral student selects a subject for the dissertation, and initiates research. An independent research phase starts once the dissertation advisor accepts the research design and detailed proposal and/or the candidate is able to defend it before a committee in a publicly open discussion. So at that time the student advances into the candidacy stage. Independent research and writing the dissertation can take several years. Once acceptable to the advisor, the student must defend the dissertation before the doctoral committee and invited guests. In a typical defense, the student must establish mastery of the subject, justify his or her research findings, and answer questions. A successful defense results in the award of the PhD degree. (There is no such thing as a DBA degree in Hungary.)

### *Faculty*

Teaching business and management in Hungary was more or less part of the teaching of economics in a very broad sense and other issues of the economy for a long time. In other words, it was not a seemingly independent area of study. The first step to separate business education was made in the 1960s, when the first modern colleges for teaching commerce and finance were established. (Of course there were some historic predecessors of that kind of institution in Hungary even in the nineteenth century but what we call business studies today started more or less in the 1960s.) At that time most of the faculty came from university-level teaching of economics and related areas such as sociology, psychology or mathematics and linguistics. A significantly smaller part of that new college-faculty arrived from public administration and from the business world. Although hiring from these fields continues, a larger proportion of new full-time business faculty members are now hired out of doctoral programs in business and management. New doctorates are hired into either fixed-term positions or tenure-track positions at the rank of assistant professor depending on the institutional and individual circumstances. They are normally considered for tenure and promotion to associate professor after about four years. Consideration for promotion to full professorship normally occurs after a minimum of eight-ten years and a highly successful and quality controlled teaching and research activity. Generally full-time tenure-track faculties are expected to conduct research, teach, and provide service to the school, institution, and discipline. The relative emphasis on each of these responsibilities is determined by the character and mission of the school. Unfortunately there is only a very limited exchange in terms of personnel between the business world and academia. The personal income gap is too high in Hungary between the two career paths. Therefore, usually business people are invited as guest lecturers or hired as part-time faculties.

### *Students*

To study business is quite fashionable in Hungary today. There are more than 70,000 undergraduate and graduate students studying business and management matters of which about 7,000 are graduate students. They represent about 18 percent of students in higher education. Hungarian institutions awarded around 13,000 college-level degrees and about 2,500 university diplomas in business and management in 2004.

### *Accreditation*

HAC assesses the standards of education and research in each higher education institution that offers business and management degree programs at least once every eight years (institutional accreditation). That is the same as in the case of any other institution of higher education and is based on a detailed self-assessment of the institution and the report of a visiting committee. The HAC

also examines the curricula, the qualification requirements as well as the quality of the academic staff and the teaching facilities (program accreditation). Another Hungarian accreditation body is the Adult Education Accreditation Board which focuses mostly on institutions and programs offering non-college-level and non-university-level business and management training programs for adults. There are some foreign and international accreditation opportunities for Hungarian institutions, just like the Association of MBAs (AMBA, London) or the EQUIS, an accreditation offered by the European Foundation for Management Development (EFMD, Brussels):

- Number of institutions with college-level (undergraduate) business degree programs: 35.
- Number of institutions with university-level business degree (business master's degree) programs: 13.
- Number of institutions with business doctoral degree programs: 11.

### **Issues facing business schools**

Business schools and faculties in Hungary are faced with a diverse set of issues. These are the growing number of institutions offering business and management programs, the rapidly growing number of business students versus shrinking job opportunities for graduates, difficulties in hiring faculties, budgetary constraints, intensifying competition, and increasing accountability pressures. Of course, different schools experience and deal with these issues in different ways. But many faculties worry that continuing difficulties could threaten the scholarly approach to business and management education and adversely impact the quality of it.

Most of the Hungarian business schools have been facing cuts or freezes in funding over the last few years. As a result, schools have sought to increase funding from alternative sources, such as tuition, sponsorships, and non-degree programs. Many business deans have been negotiating alternative financial arrangements and greater decision autonomy from the institutions to which they are affiliated.

Intensifying competition has challenged Hungarian business schools on many levels. Increasing numbers of MBA and other management training program providers has increased competition for students. That competition is especially intense among part-time program providers throughout the Hungarian market. Foreign institutions have also increased their presence in the Hungarian market whilst recruitment of international students by Hungarian institutions has not been too remarkable up until now.

Like other educational institutions, Hungarian business schools have also been feeling the increasing pressure from accrediting organizations and state legislatures to demonstrate that educational outcomes are being achieved. For example, HAC accreditation standards were recently revised to align the

Hungarian institutions with the standards of the “European Higher Education Space”. Pressures on business schools to demonstrate value more effectively have also emerged recently from within the academic community. Many professionals suggested that schools must work harder to help their graduates’ career success and to demonstrate the relevance of business academic research.

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