

**STUDIA I PRACE WYDZIAŁU NAUK EKONOMICZNYCH  
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**THE ACADEMY OF ECONOMIC STUDIES IMAGE  
ON THE LABOUR MARKET**

**Introduction**

The Academy of Economic Studies (AES) is one of the most important universities in Romania. Created in 1913 by a Royal Decree, the Academy of High Commercial Studies (nowadays the Academy of Economic Studies) is the largest economic university in Romania and one of the largest in South-East Europe. AES is made up of almost 1,000 academics and 40,000 students (in both campus and distance learning) coming down to 10 faculties and 27 academic departments.

Throughout its long history AES has always had a very good reputation. Before communism it was a much respected higher education institution, with some of the most well-known academic personalities serving as professors (Nicolae Iorga, Virgil Madgearu, Mihail Manoilescu).

After World War II the Academy was transformed according to the new ideology, its high prestige survived though, and was maintained especially through its admissions policy grounded in entrance examinations. This system, which is in action even to date, is just one of the factors that traditionally account for AES's noteworthiness.

After the Revolution the Academy underwent by and large the same changes as the bigger system it was part of. Prior to 1989 only a small number of places were available for students, which proved a huge handicap for those who wanted to become economists. Starting from 1990 the number of faculties grew, the number of students increased and the economics profession was envisioned as one of the most successful career paths<sup>1</sup>. AES transformed into one of the most wanted universities because it could allegedly secure jobs for its graduates! Like all ex-communist countries, Romania had started to experiment unemployment, and AES was considered to provide a certain security in terms of employment (an economist can cover a very large spectrum of activities, which was deemed an advantage in the context of a labor market that was undergoing deep-seated structural change<sup>2</sup>).

AES has kept its admissions policy in place, which spelled out in high quality standards for successful applicants, and helped consolidate its image as a fair play elite-minded university. The Academy's admission tests became more and more difficult, hence the overall society's acknowledgement of the new entrants as a brand of highly competent young people<sup>3</sup>.

However, this image was altered because of the distance learning system. The admissions system is different for these students and so is the structure of the academic year. The students enrolling in distance learning have less classes and standards differ with respect to campus-based students (according to current regulations, there are no legal differences, but lower levels in point of student quality actually led to different assessment standards).

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<sup>1</sup> Romania's economic structure was altered to a great extent as its hard core, i.e. the heavy industry went into collapse. The deficit of economists on the labor market and the inflation of engineers induced high school graduates to desert both the polytechnics and medical schools (being a doctor turned out to be too expensive and the opportunity costs were too high) and head for economics universities, law schools, sociology, psychology, journalism and political science, some of which did not even exist as stand-alone faculties till 1990.

<sup>2</sup> During the last 10 years of communism the gap between the number of graduates from the Polytechnics Institute and ASE grew significantly in the engineers' favor. This discrepancy can be partly explained by the "philosophy" of Ceausescu's regime, namely that heavy industry was at the core of any economy. Therefore, engineers were needed more than other categories of specialists.

<sup>3</sup> Most private universities have abandoned entrance examinations altogether in order to attract more and more students. The tradition in Romania is to have admission tests in place, and universities that do not go along these lines are deemed too permissive, which is not regarded as a strength from the angle of both would-be candidates and employers.

Another reason for this image alteration was the proliferation of AES distance learning centers all over the country in order to respond to the huge demand for economics studies. This development led to ever growing numbers of underperforming students (especially till 2004), and partly downgraded AES's standing, which emerged as a "far too approachable" university.

AES has anticipated the market's evolution and tried to adapt to the emerging trends. The Academy attempted on the one hand to absorb demand for economics courses, and on the other hand to develop the curricula and train its staff (especially academics) and its students. There were (and still are) a lot of programs in place developed with the EU (Leonardo, TEMPUS Program, ERASMUS, SOCRATES) and other countries (USA and Canada for master programs) in order to upgrade both professors' and students' competencies and adapt the curricula to European academic standards. Both undergraduates and postgraduates were encouraged to study abroad and learn from the experience of other universities. In a way, AES prepared itself for the future competitions both inside and outside Romania's borders.

Today, in the wake of our country's tremendous transformations – AES is no exception to this prevailing trend – our university is engaged in a more fierce competition moving on to a European level. The Academy still enjoys a good image, but is it good enough to uphold its leading position on the market among other economic universities? What do employers really think about AES graduates and how do they rank AES among other higher education institutions? Since the particular university a would-be employee has attended is sometimes irrelevant to the labor market, is AES strong enough to keep both its leading position and good image intact? These kinds of questions prompted the Academy's management team to commission a study about AES's image on the labor market and the particular graduate qualities employers are looking for.

## **Methodology**

In the Academy of Economic Studies employers are defined as external clients according to the Regulation for quality assurance in the field of edu-

cational services and scientific research<sup>4</sup>. In this context, taking an educational marketing perspective, universities have to closely follow their customers' requirements and try to adjust their activity to them. The study was conducted by a team of academics from AES<sup>5</sup>. Among other objectives, the study endeavored to identify the most important aspects that define AES in the eyes of employers. A number of 472 companies and non-profit organizations from Bucharest and other cities were questioned. They cut across all company sizes (small, medium and large) and property types (public, private and public-private ownership). The sample was developed on a multistage design, using the following criteria: the students' regions of origin, organization property type, number of employees and field of activity. This sample is representative for Romania, but the sampling error is very high because of the small sample dimension, therefore, results should be interpreted in a qualitative way.

## **Findings**

This paper will highlight certain facets we deem relevant for the purpose of this conference.

The first question we will discuss is the employers' perception of a list of 10 universities. Their opinions originate in their experience with past and current employees (and the competencies thereof) that graduated from these same universities. The employers were asked to assign marks (from 1 to 10, 1 is the lowest and 10 is the highest) to several universities we have chosen among the most noteworthy from both Bucharest and Romania (and the largest, too), either public or private: Polytechnics, the University of Bucharest, the Academy of Economic Studies, the "Spiru Haret" University, the Romanian-American University, the "Titu Maiorescu" University, "Hyperion" University, the "Dimitrie Cantemir" Christian University, the "George Cosbuc" University (this is a fictitious entity that was introduced in order to see if employers are familiar enough with private universities) and the National School of Political and

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<sup>4</sup> Article 2, paragraph 4 (see [www.ase.ro/site/despre/management/2006-2007/8-regulament%20Asigurare%20Calitate.pdf](http://www.ase.ro/site/despre/management/2006-2007/8-regulament%20Asigurare%20Calitate.pdf)).

<sup>5</sup> The project coordinator was Professor Luminita Nicolescu, Ph.D, from the Faculty of International Business and Economics. The authors of this paper were members of her team.

Administrative Studies (the Romanian abbreviation is SNSPA). AES is deemed the most “high performing university”. AES has managed to secure the highest mark from the university list. AES was granted an 8.87 grade, while Polytechnics and the University of Bucharest got 8.56, and 8.32 respectively. According to the employers’ grading, the university featuring last is a private university, Hyperion, with a 5.49 mark<sup>6</sup>. Strikingly enough, a fictitious university is ranked higher than a real one! This paradox can be explained though, for there are a lot of private higher education organizations and it is almost impossible to know them all!

Table 1

The top 10 universities ranked according to employers’ opinions

University	Mark
1. Academy of Economic Studies, Bucharest (AES)	8.87
2. University of Polytechnics, Bucharest	8.56
3. University of Bucharest	8.32
4. National School of Political and Administrative Studies (SNSPA)	7.82
5. Romanian-American University, Bucharest	6.52
6. “Dimitrie Cantemir” Christian University	6.43
7. “Spiru Haret” University	6.37
8. Independent University “Titu Maiorescu”	6.33
<b>9. “George Cosbuc” University</b>	<b>5.80</b>
10. “Hyperion” University	5.49

Table 2 presents the importance employers attach to some elements they take into consideration when selecting candidates for job openings.

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<sup>6</sup> In Romania state universities are deemed “better” in terms of students and academics’ quality standards, as well as in terms of correctness (meaning how easy it is for students to score high in their examinations and how rigorous faculties are in preserving their qualitative standards).

Table 2

In the selection process for jobs requiring higher economics education, how would you rank the following aspects in terms of their importance? (Marks range from 1 = not at all important to 5 = very important)

1.	The prestige of the university the candidate has graduated from (hence, "university prestige")	3.68
2.	The prestige of the faculty the candidate has graduated from (hence, "faculty prestige")	3.67
3.	The candidate's professional experience	4.27
4.	The candidate's extracurricular activities	3.07
5.	The candidate's school record	3.34
6.	The candidate's psychical and moral qualities	4.56
7.	Postgraduate studies (master and MBA programs)	3.91

Employers deem criteria related to "the candidate's professional experience", and, especially "the candidate's psychical and moral qualities" as the most important. These are the only criteria ranking on average between "important" and "very important", but, unfortunately, university-related elements can interfere with them in a very limited way.

On the opposite side, the less important criteria are "the candidate's school record", and "the candidate's extracurricular activities". This is not quite a surprise, but professors find it difficult to accept that their evaluations regarding students' performance are not so important for employers!

Another conclusion is that employers do not differentiate between "university prestige" and "faculty prestige". A hypothesis regarding this aspect could be that the graduates of economics studies "are being judged" by university rather than faculty standards. At the same time the "prestige-image" criterion seems to be important enough, so universities are increasingly preoccupied about how they are perceived.

The employers' perception according to their field of activity is presented in table 3.

Table 3

Correlation between elements used in the selection process of candidates for jobs requiring higher economics education and the organization's field of activity  
(Marks range from 1 = not at all important to 5 = very important)

	Elements used in the selection process	The organization's field of activity		
		For-profit organizations in the field of goods production	For-profit organizations in the field of services	Non-profit organizations
1.	University prestige	3.67	3.72	3.68
2.	Faculty prestige	3.58	3.69	3.64
3.	Professional experience	4.20	4.27	4.18
4.	Extracurricular activities	3.09	3.05	2.82
5.	School record	3.26	3.37	3.32
6.	Psychical and moral qualities	4.60	4.55	4.64
7.	Postgraduate studies (master and MBA programs)	3.99	3.88	3.91

Analyzing the data in table 3 allows us to come up with several conclusions:

- From the field of activity point of view, there are no significant differences between employers regarding the importance they attach to various criteria used in the economics graduates' selection process.
- It seems that employers acting in the non-profit sector are similar in their judgments to those from manufacturing organizations.
- Surprisingly enough, the only "negative" average (falling under 3, on a scale ranging from 1 to 5) occurs with non-profit organizations' interpretations of the candidate's "extracurricular activities" criterion. The graduate's involvement in social organizations should represent a strength in the employment process, but it appears that employers do not think this way.

According to the property type of the organization employers represent (table 4), the findings are the following:

- Unlike other company types the employers in charge with public property (or mostly public property) organizations tend to attach greater importance to all the criteria under discussion except for "the candidate's extracurricular activities".

- The employers running private companies use similar evaluation criteria, no matter if they are Romanian private companies or foreign private companies. The only criterion where a significant difference occurs is the “candidate’s professional experience”. Multinational companies tend to employ inexperienced persons in order to train them afterwards.

Table 4

Correlation between elements used in candidate selection for a job requiring higher economics education and organizations’ property types  
(Marks range from 1 = not at all important to 5 = very important)

	Elements used in the selection process	Types of property		
		Public property (or mostly public property)	Romanian private property	Foreign (or majority foreign) private property
1.	University prestige	3.83	3.70	3.63
2.	Faculty prestige	3.81	3.68	3.61
3.	Professional experience	4.23	4.35	4.16
4.	Extracurricular activities	2.94	3.05	3.11
5.	School record	3.63	3.35	3.25
6.	Psychical and moral qualities	4.75	4.52	4.56
7.	Postgraduate studies (master and MBA programs)	4.04	3.92	3.91

## Conclusions

The research shows that despite the general impression that economics higher education – especially that provided by the Academy of Economic Studies – is short of reaching a quality peak, the external clients, those for whom we are actually training the students, are very satisfied by the graduates’ professional backgrounds. Looking at the issue from this point of view, AES can consider itself a successful organization. AES is the university employers have ranked first, and by a very good score too. AES should develop partnerships with business because our university is perceived in a very positive way, and this kind of collaborations is instrumental in keeping alive the managers’ interest in our graduates. Another reason is related to the fact that



closer ties with the business environment are very useful for the students' future career. Unfortunately, those criteria deemed the most relevant in the eyes of employers cannot be influenced by the university to a large extent. Moreover, university/faculty prestige is not as important as the candidates' professional experience or psychological and moral qualities, and this is an area AES has to work on in order to demonstrate that it has very high academic standards and its graduates are the best in the labor market.

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## **THE ACADEMY OF ECONOMIC STUDIES IMAGE ON THE LABOR MARKET**

### **Summary**

The paper presents some relevant aspects regarding the image that the Academy of Economic Studies (AES) has on the labor market. AES is the largest and the most well-known economic university in Romania. The ever growing demand for specialists in economics has transformed AES into one of the most wanted universities in Romania for undergraduate students and even for postgraduate students of late. Despite AES's leading position, its management team wanted to find out more about how employers perceive AES graduates' quality. A study was conducted to this effect the results there of are presented in this paper. Further, a description of the methodology underpinning our research and of the ways our findings can be used for maintaining AES's stronghold among Romanian economic universities will be provided.