

## KNOWLEDGE ECONOMY – CHANGE MANAGEMENT IN HIGHER EDUCATION

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### SUMMARY

Significant changes are happening daily at all levels of society. Profit-based operations are faced with challenges posed by new events, but this is even more so in the case of non-profit organizations and institutions. The changes in the academic community as a consequence of the Bologna process having been introduced into teaching and overall functioning of the academia have brought about both positive and negative results. The opposition to the implementation of the *new system* into higher education has been caught in the gap between the old education system which still operates in practice and the necessity to implement new programmes in higher education teaching. The supporters of the *traditional* higher education system rightfully object that the process might become watered down, and that the European education system is not sufficiently harmonized.

The Bologna process has introduced direct and indirect changes in the structure of the teaching process, as well as in new professions, such as “knowledge managers”, who conduct *formal* and *structural* changes of the academic community. “Knowledge time”, “knowledge industry” and the like require also a certain freedom in knowledge management. With the organizational changes the new “knowledge manager” receives additional tasks of being a real “leader” in restructuring the existing traditional organizations. Structural changes imply changes of values, i.e. changes in the way how business and teaching processes are evaluated. The realization of the Bologna process involves:

- emphasizing quality at all organizational levels of an academic community
- respect for individual creativity (students and teaching staff) and appreciation of individual contributions
- valuing individual efforts in class, home assignments and intellectual work

- devising a new assessment system, etc.

New programmes in business and teaching processes are more or less successful in following the continuous transformation and autonomy of higher education institutions. However, the assessment of current organizational changes requires permanent adaptation of the current situation to new development trends.

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## 1. INTRODUCTION

Constant progress and discoveries in all scientific fields and other areas of human activity have had a great impact on the academic community as well. Changes were inevitable and necessary. Universities, faculties, all academic institutions in Europe have dealt with this system and course of changes gradually, building a new system of academic education and a new system of organising academic institutions and universities. “Everything that people have to and can know nowadays – and this is hardly little – this knowledge lacks synthesis. It remains what it should be: a fragment, easily acquired, rapidly adjusting, easily forgotten.” (Liessmann, K. P., 2008; 8). The fact is that the system of European academic education did not begin based on one feature, in one short period of time. Centuries of development and construction of education system have passed, which continuously contributed to the development of European culture and civilisation. “Neohumanism has formulated the concept of education as a programme of self-formation and the educated people have lived according to it as well as they could have managed. But the idea of education has stopped being a goal and a criterion for central factors of production, transfer and adjustment of knowledge.

At present, those mechanisms do not function only marginally along with the idea of education, but actually emphasize its absence. The fact that no one can say what education or general schooling should consist of does not present any subjective disadvantage, but is the result of the opinion that education has to be reduced to training, and knowledge should be degraded to the recognizable number of the available human capital”. (Liessmann, K. P., 2008; 9) Organisational structure of academic institutions and universities, certain practices in implementation, established ways of organising and implementing education system cannot

be overlooked and ignored. New ways of organising and structuring curricula involve gradual adapting and introduction of new elements into the existing system. "Overall Education theory nowadays, measured by what has been understood in European tradition since ancient times as one's possibility of educational forming, should therefore be the theory of miseducation in the continuation of Adorno's critical programme." Lack of education does not designate simply the absence of knowledge nor a certain form of non-refinement, but sometimes a completely intensive knowledge handling beyond every idea of education. Lack of education today is neither individual failure nor a result of unsuccessful educational policy. It is our destiny, since it is a necessary consequence of the capitalisation of the mind."

(Liessmann, K. P., 2008; 10). Issues of knowledge and education should be chief preoccupation of our society in general, i.e. of the academic community, as well as of each individual with a common goal of accomplishing general development and shaping one's own identity. A new wave of growth and expansion of scientific achievements continuously accompanies every generation. The acceptance of new insights, new technical and technological achievements have also influenced academic institutions and the system of higher education. These changes are also recognized in the system of the Bologna process. "In a world that is constantly changing, there is not one subject or a set of subjects that will serve you well for the foreseeable future, let alone for the rest of your life. The most important skill to acquire now is learning how to learn." (Switzer, C., 2008; 19). To accept these changes related to the Bologna Declaration and process that follows was not a choice for the academic community to make, but an imposed programme and process that was accepted by the European academic community as a whole.

## **2. THE CHALLENGE OF CHANGES ACCORDING TO THE BOLOGNA PROCESS**

Is it possible, from current perspective, to consider the future and prospects of higher education in our conditions and under our circumstances? The reform of higher education in the Republic of Croatia has been initiated five years ago by introducing a completely new system of education into our academic institutions. Each innovation, including the Bologna declaration, encountered more or less resistance from the academic community. Nevertheless, by following the demands of "politics" for the implementation of the new system in higher education, real resistance or analysis of what the new system will bring practically did not exist. We are witnessing the fourth, i.e. the fifth generation of students that are being edu-

cated according to the Bologna process. The curriculum includes completely new courses; most faculties have 3+2 years of studies, i.e. three years of pre-graduate studies and two years of graduate studies. These are formal changes, introduced to the studying process and into the academic community. However, the transformation of academic and institutional structures is much more complex than it seems at first glance. After reorganising, as well as restructuring the curriculum, the following is to be done:

- a real diversification of academic institutions (universities and faculties)
- the function of financing is considerably changed in practice, so that universities take general control of the financial function, whereby faculties partly lose their financial autonomy.

What is yet to be discussed in academic circles and related activities is:

- the co-operation among universities, i.e. alliances between universities, co-operation with the public sector and corporations
- the international level of higher education.

Surely, the following is bound to occur:

- coordination on national and regional level and a complete reform of university management,
- new organizational models of academic institutions,
- intensifying the cooperation among universities and other representatives of the civil society,
- decentralisation, regionalisation, and internationalisation of public and private offer in higher education,
- administration and management based on strategic planning in higher education
- evaluation and responsibility,
- accreditation and certification of programmes,
- establishment and individual changes,
- new methodology of quality academic education
- flexibility of the curriculum

- new educational models focused on learning and orientation of certain academic authority
- student and faculty mobility
- the system of open, long-distance and life-long learning
- competence recycling, etc.

The Bologna process affirms: study excellence, competitive spirit, quality in educational process and “profit-related aspect” of studying. All of the above mentioned are the qualities that negate and background learning, education and knowledge acquisition in a specific scientific and vocational area, i.e. discipline.

New professions appear, such as *new knowledge manager*, *knowledge leader*. Both the process and the cycle are changed radically, and consequently the profiles of new professions are required. Upon completion of a programme of studies, students are awarded the degree of baccalaureate (i.e. bachelor’s degree), a master’s degree, etc., depending on the programme completed.

The accepted changes demand a new approach in organizing academic activities, especially in change management. These changes encompass all values of the educational process. The following are emphasized and underlined:

- quality and not only well-being,
- creativity and initiative of an individual are more important than “ex-cathedra” type of learning,
- social and cultural differences are respected,
- the value system is being changed.

Adjustment to and acceptance of innovation in relation to universities, faculties and all other academic institutions is not clear-cut and cannot be implemented by a single decree called the Bologna process. “The positive interaction that takes place among the increasingly knowledge base, productivity, and competitiveness is generally acknowledged. .... The social recognition of the importance of making higher education systems into national models of growth and development and the value of knowledge and information as factors of productivity and competitiveness has given rise to an increased demand for university education.” (Grözing, G. & Rodriguez-Gomez, R., 2007; 95). The process of introducing a new system into higher education learning in Croatia has undoubtedly started by introducing

a completely new way of studying, new names for courses, new organisation of studies. On the other hand, it has proved impossible to abruptly terminate and abandon everything leading up to this point. The practice shows that, despite new names and titles, new courses and programmes, there are actually a lot of elements that are a legacy and practice of the old system.

### **3. MANAGING CHANGES IN ACADEMIC COMMUNITY**

The fact that a large number of new changes at all levels of society and science are continuously happening is irrefutable; global economy is a reality that influences both profitable and non-profitable business sectors. How can one identify on time what to accept and which changes to implement in everyday life? The complexity of the society, and in our case of the academic society and higher education, has resulted in a recommendation to introduce a new process into education – the Bologna process. The tradition in the organization of academic institutions and universities that is characteristic of European universities was a factor of resistance to introducing and implementing new ways of functioning of the academic community. “The Bologna process, as a part of an emerging European Higher Education Area, has already to change the higher education framework in Europe through the process of the harmonisation of study structures and qualification systems, increased international student and faculty mobility, internationalization of schools and their study programmes, etc. As a consequence of that process, the competition between business schools will increase. Professional competence and employability of graduates are central to this education transformation process.” (Jurše, M. & Tominc, P., 2008; 18). A thoroughly examined strategy for implementing changes in European universities and academic institutions started with directing educational processes towards knowledge management and intellectual capital.

The organisation of universities and other academic institutions is gradually gaining features of corporation management based on:

- profitability
- flexibility
- openness to new changes.

The members of the team should possess the knowledge and motivation of others, but also the ability to create new organizational structures aimed at achieving comparable advantages of academic organisations.

The factor of perpetual competitiveness in educational process is becoming an important feature of the Bologna process. In the Bologna process, the emphasis is placed on:

- quality and competitiveness in education
- creativity and individuality in educational process
- respecting social and cultural differences
- a system of individual values in education
- continuous knowledge assessment by a set of test/exams (test), etc.

All of them are disadvantages and negative elements of implementing the Bologna declaration according to the classical European university system. "Many higher education institutions in several European countries, .... are in the middle of a comprehensive transition process by aligning their curricula and study programmes with the principles of Bologna process. They will transform their curricula and teaching approaches from old, traditional model, based on teacher and lecture oriented modes of teaching, toward more pragmatic and student learning modes that support the development of their professional competences. Therefore, for each of three study cycles in the new higher education structure, a *specific set of competences* should be considered and included in the curriculum development, supported by appropriate modes of teaching." (Jurše, M. & Tominc, P., 2008; 18)

New terms in the process of implementing the new education system become a recognizable part of that process, adjustment, so that the term the "knowledge economy" is used:

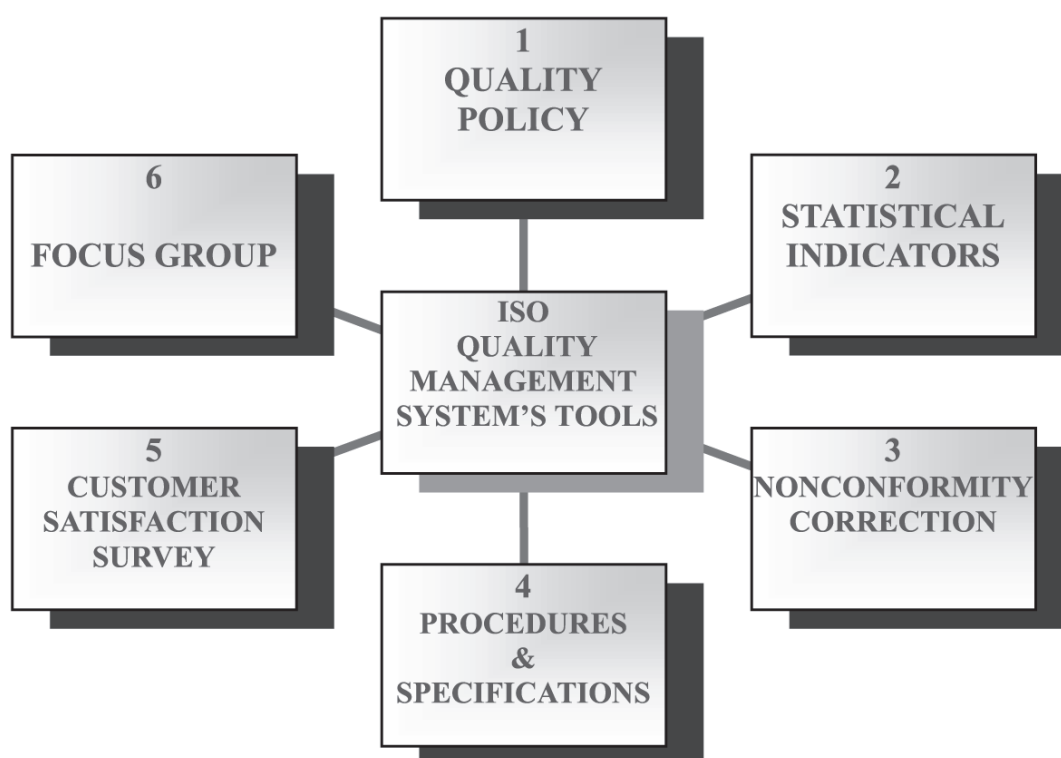
"profitabilisation" of the education process and acquisition of competitive advantages, knowledge becomes commodity with usage and transactional value; which is contrary to free information transfer and knowledge acquisition.

In the long run: the success or failure of academic institution presupposes to be result of:

- capital based on knowledge,
- a new relationship to the participants of the process (users and consumers),
- new, innovated products and services within the education system, and similar.



Picture 1 shows the importance of quality, i.e. policy that predetermines service and product quality of the higher education institutions. It is important on the one hand to determine: what the goal of a research is, i.e. analysis and who the real and potential service users are. On the other hand, a control system is of importance, as well as indicators that point to the success or failure of process implementation. In the centre of the process, a quality management system and a system for monitoring the results of implementing new modes of education process are determined. The application of ISO standards and the realization of required quality in the process presuppose the implementation of certain procedures and specifications.



**Picture 1:** The Quality Management System's tools (Sacchetti, L., 2007; 89)

The fact is that at present more and more “knowledge creation, guarding, distribution, transfer and implementation are being considered in terms of model of production of any commodity. Only this can ensure that universities, for example, boldly show the increase in their research results in percentages. In this case, cognition cannot be included. Contrary to the continuous emphasis of knowledge value, it is actually not appreciated, since its right to cognition has long been taken away.” (Liessmann, K. P., 2008; 123). The structural change of educational systems of both European and Croatian universities, although still in progress, is constantly



provoking arguments over the acceptance justifiability of those same changes, implemented by the Bologna Declaration. "As much as education is characterized by its reforms, current educational reforms are proving to be paradigmatic of reform spirit that keeps modern societies in top shape". (Liessmann, K. P., 2008; 138). The change in management system of Croatian universities, as a challenge, will only follow the reorganising of faculty management, when a university gradually accepts management structure of both the teaching process and of all "administrative" functions (accounting, finances and like).

#### 4. CONCLUSION

The structural change of educational systems of both European and Croatian universities, although still in progress, is constantly provoking arguments over the acceptance justifiability of those same changes, implemented by the Bologna Declaration.

In the Bologna process, the emphasis is primarily placed on the teaching process and educational system (quality of and competitiveness in education, creativity and individuality in educational process, respect for social and cultural diversity, the system of individual values in education, continuous knowledge assessment, etc.) followed by restructuring and complete reorganisation of the management system of universities as central organisations of higher education. The Bologna process introduces changes into the existing structure of universities and faculties, both in teaching process and in life and functioning of universities in general. The cooperation between universities, i.e. alliances between certain universities, cooperation with the public sector and corporations, the international level of higher education, as well as student and faculty mobility are yet to become the topic of discussion.

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