

The Development of HRD in Hungarian Higher Education

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This paper presents a succinct history of the development of human resources in Hungary, the emergence of human resource management and development as an area of study in higher education institutions, the institutions offering programs in this area and their curriculum. The paper is based on a literature review, information gathered from websites and informal discussions with members of three institutions. Recommendations for future research and implications for HRD teaching and practice are discussed.

Keywords: HRD, Higher Education, Hungary

Problem Statement

At the doorstep of the European Union, with a market of over 300 million big-spending consumers and a relatively skilled population, Central and Eastern Europe has many advantages that make investing in the region attractive. According to Child and Czegléd (1996), Hungary is one of the countries in this area that has made the most extensive internal changes and developed the strongest economic relations with Western nations. Its advanced level of social and economic development that it had achieved before the imposition of socialism/communism and its historical, cultural, and geographical propinquity with neighboring European countries like Austria and Germany enabled it to transform rapidly away from former socialist institutions. The changes in the political, economic and social systems also led to changes in the higher education system both from an administrative and a curricular perspective. As multinational companies are expanding their investments and operations in the region, we believe that the study of HRD higher education is important for the understanding of knowledge, skills and abilities that graduates possess and it is crucial for the success of multicultural business cooperation (e.g., needed in joint ventures, acquisitions, collaborative projects between Hungarian and non-Hungarian organizations). Studying HRD education in the higher education setting of different countries will also allow for cross-country comparisons and a deeper understanding of the meaning associated with human resources and their management and development in academic institutions across the world.

The Context

Hungary is situated in Central-Eastern Europe in the Carpathian Basin bordered by Slovakia, Ukraine, Romania, Serbia and Montenegro, Croatia, Slovenia and Austria. Its area is 93,000 square kilometers (sq.km.), with a population of 10 million people. Administratively, the country is divided in 19 counties, 20 urban counties (i.e., county seats) and the capital city of Budapest. Hungary demonstrates strong economic growth and joined the European Union in May 2004. The private sector accounts for over 80% of GDP. The country has one of the highest levels of GDP per capita among the countries in the region, and is successfully exporting many products of its high technology and machine-building industry, and agriculture. Foreign ownership of and investment in Hungarian firms are widespread, with cumulative foreign direct investment totaling more than \$23 billion since 1989. Inflation has declined substantially, from 14% in 1998 to 4.7% in 2003 and unemployment has persisted around the 6% level (CIA, 2005). According to the EIU ViewsWire (2003) high standards of general and vocational education comparable to those in western Europe have been important in attracting foreign employers to Hungary, especially in new-technology sectors.

In 2000, Hungary celebrated its 1100 years of history. After the crowning of its first king, King Stephan, Hungary became closely linked with the western Christian church and western European culture. The Hungarian language, a Finno-Ugrian language, belongs to a unique linguistic group, sharing origins with only a handful of other

languages such as Estonian, Finnish, Komi, Udmurt, Mari (Bereczki, 2002), and is using the Latin alphabet. The historical and cultural legacy of Hungary is marked by wars and revolutions fueled by the opposition tradition of its people against occupation. This legacy led to a gradual relaxation of central control and the development of private enterprise during the 1980s which meant that the transition from Communism to multi-party democracy in Hungary was less of a shock than in some other countries.

The impact of the transition was felt by the higher education system where the Hungarian government as well as other governments of European Union and eastern European countries are “struggling to find higher education reforms that are politically acceptable to taxpayers and students” (Green 2004a, p. 3) and that will meet the needs of the society and the demands of the market place. Although among central European countries Hungary is consistently at the top of the education spending league table, annual state spending on education as a percentage of GDP has declined from about 7% in the early 1990s to under 5% in the late 1990s, as all governments have had difficulty providing the necessary resources (EIU ViewsWire, 2003). Green (2004b) presented the findings of the 2004 global education report of the Organization for Economic Co-operation and Development (OECD) that showed a more than 50% increase in enrollment in higher education courses between 1995 and 2002 in Hungary. In 1990-91 only 8.5% of the population aged 18-22 was attending university or college and the applicants' success rate was 36%. By 2000-01 enrolment reached more than 20% of the university-age population in full-time study and acceptance rates reached almost 60%. University programs lasts for five years while college programs can range from three to four depending if the students are attending full-time or part-time. The 89 universities, colleges and other institutions of higher education “retain their traditional subject specialisms” (EIU ViewsWire, 2003).

Research Questions and Methodology

The purpose of this study was to understand development of human resources in Hungary and the emergence of human resource management and development as an area of study in higher education institutions. To achieve this purpose the following questions guided the inquiry presented in this paper: 1) what are the historical antecedents of human resource development in Hungary? 2) which higher education institutions offer programs that incorporate HRD, and 3) what are the courses forming their curriculum? In order to find answers to these questions a literature review and a review of university and college websites was conducted. This paper illustrates the first part of a larger empirical study and presents a succinct history of the development of human resources in Hungary, the emergence of human resource management and development as an area of study in higher education institutions, the institutions offering programs in this area and their curriculum, and conclusions and recommendations.

Historical Perspectives

The level of importance of the role of humans in the creation of the well-being of a society is determined by political and socio-economic situations. In each historical period there seemed to be a tendency to use the multi-potential of human beings, but only with the development of several fields of study (e.g., psychology, sociology, organizational science) dedicated to the holistic understanding of human behavior in society and organizations, the individual's role started to be defined as a creative and strategic one in the work environment (for both employers and employees).

The complete reorganizations of the economic structure and forms of ownership after 1945 started in Hungary a large wave of professional development guided by the motto “the human being is the most valued asset.” This required a massive movement of professional education of adults for industrial, agricultural and service workers. At the beginning the educators who were themselves workers with certain professional expertise did not have the pedagogical background for designing and teaching the materials but by mid-1950s there was a focus preparing the educators to use sound educational methodologies. In the industrialized regions, teacher education programs were invited to participate and thus adult education as a field of practice started to develop. This professional development was initially bounded by the country's political agenda, but with time the political influence on the economic development slowly diminished and those sciences and experiences that concerned the development of the human side of an efficient economy started to gain visibility. In the mid 1960s in the midst of struggle towards economic reform several management development institutes were formed by the state (e.g., the Management Development School in Borsod, The Metallurgical and Mechanical Ministry's Development Institute, The National Management Development Center) or by business organizations (e.g., Taurus) to offer courses for senior and mid-level managers. The focus of these programs was on productivity and efficiency even though there were difficulties in measuring efficiency since real costs and market values were not available not to mention productivity where

only the deficits were re-produced (Kornai, 1953, 1986). Thus, little attention was paid in these courses on the market place with its competition and business processes.

The 1968 economic reform triggered multilayer social and economic changes. This was the precursor of a scientific-technological revolution which as Fukász (1975) described needed a depth of knowledge and wisdom since the revolution unfolded not only in technology but in the people themselves. This period led to the development of a relationship between the economy and education that impacted the higher education system. The need for well prepared adult educators led to the formation of higher education programs, work groups dedicated to the study of andragogy, and even departments such as the Department of Adult Education and General Education established in 1971 in Debrecen with a strong foundation in andragogy (Durkó, 1995). Durkó approximates the number of andragogy graduates to a thousand. On the other hand, the western methodologies, seminal works, and different approaches to teaching and learning started to slowly reach the well prepared educators in the party management schools who inserted them in their teaching materials and approaches (Krisztián, 1978; Koltai, 1987).

While in the first period, the economic reform started to spread and was led mainly from top down, by the end of the 1970s and beginning of 1980s the trend started to shift and more and more innovative initiatives started to be accepted from bottom up. These changes required a different management and thus a different approach to leadership development. A turning point was marked by the legalization of small private businesses in 1982 that allowed managers and employees of these enterprises to test both their ideas and their managerial and business skills. During the first wave of these enterprise formations several training and consulting firms were established to serve the needs of their new constituents and some of them are still active. These decades prepared the ground for the changes witnessed after 1989. The 1990s were shaped by the need to meet the challenges of a transition that required continuous economic and social changes (Báthory, 2001).

In this new decade, the value of human resources and of adult education was reevaluated (Koltai, 1993). The dissemination of the maturing human resources related knowledge, its transfer to the workplace and its practice received more attention. The need for human resource management and development, both from a theoretical and practical (i.e., knowledge and skills) perspective, for the construction of a transformed political, economic and social system, required quick responses both from business organizations and education institutions. The dissemination of knowledge shifted from sporadically offered courses by businesses to organized training courses (Vecsenyi, 1995). During the radical economic changes of the 1990s, emphasis was set not only on the market place and business disciplines but on organizational behavior and employment and labor law ones. Management of human resources, employee training and development, fostering motivation, creativity, and team work were considered essential in building and maintaining the productivity and competitive edge of organizations. These new human resources approaches and their related methodologies found their home first in agricultural engineering and economics departments (Kővári & Fruttus, 1989), but started to be included in the undergraduate and graduate curriculum of the general education/cultural education programs facilitated by the strong professionalization of this field of practice (Zenner 1997).

During this period, a paradigm shift in adult education led to its focus on lifelong learning and to a unique interpretation of its foundations (Koltai, 1994, Krisztián, 1994). The many interpretations and meanings associated to “adult educator” and “adult learner” still prove to be problematic especially to those who have a superficial understanding of the field and it is reflected in different unsupported critiques (Heribert, 2000). Linguistically, the science of adult education, andragogy, is still confined to the academic community while adult education is considered to have a clearer meaning to the general public. Although the higher education reform that led to the creation of new disciplinary fields ensured slowly the creation of the field of adult education its recognition in academic settings ranges from the hostile to the indifferent to the accepted. This is evidenced in our human resources programs and curriculum review where only the programs in one university (school of natural sciences, institute of adult education, human resource management department) and one college (school of economics; the college has long traditions in adult education) include in their curriculum courses on andragogy and adult education.

Programs and their Curriculum

A review of the literature (Kővári & Fruttus, 1989; Krisztián, 1995; Lévai and Bauer, 1996; Zsolnai, 1996; Országos Felsőoktatási Felvételi Iroda, 2001) and Hungarian university websites (last retrievals: March-April 2005) uncovered four universities and two colleges that offer human resources related programs with human resource development components. According to Lévai and Bauer (1996) there were four universities and one college preparing human resources professionals in 1996. In Hungarian higher education institutions there is no differentiation between human resource management and development since theoretical basis, activities and skills

related to both are considered essential in managing human resources (Gáspár, 2000). Thus we had identified programs with concentrations in HRD courses by looking at all programs preparing human resource professionals. The multidisciplinary base of the emerging human resource development (HRD) area of study in Hungary is evidenced by the presence of its courses in different schools, departments and programs each of which add their disciplinary flavor to their curriculum. The schools of management, political science and law, economics and social sciences, economics, natural sciences and the department of economics in the case of one of the colleges were hosting human resource management, human management, personnel/human organization, and labor law programs. The focus of these programs was based on the view of the value of human resources (e.g., economic value in schools of management and economics; a philosophical approach combining socio-cultural and economic values emphasized in the school of natural sciences and one school of economics; legal aspects related to human resources in the school of political science and law).

The information about the curriculum of each of the programs varied based on the complexity of their websites. Some of them listed all required and elective courses per half years of study others gave a general list of courses and others had some of their courses listed as examples in a written paragraph describing their program. The two colleges offered 3 year programs while the universities offered both 3 year and 5 years programs (include a thesis and resemble a master program). Although only two of the programs included courses on andragogy and the above mentioned disciplinary influences differentiate these programs, there were common courses across the programs such as communication theory and business communication, organizational psychology, management science, labor relations and common courses across two or three programs such as organizational development, career development, training and education, recruitment and selection, performance appraisal, conflict resolution, strategic human resource management, human resource information systems. The emphasis on human resource management topics was also found in United Kingdom (UK) programs by Kuchinke (2003) who conducted a comparative study of human resource development programs in the UK and United States (US). He found that management topics were very rare in US program curricula. Since not all programs had a complete description of their curriculum on line further inquiry based on personal contact with the administration of the specific programs is needed for a complete analysis. Work is in progress in Hungary towards adhering to the Bologna Agreement, based on the declaration of the European Ministers of Education convened in Bologna on June 19, 1999, to adopt a system of comparable degrees (i.e., undergraduate and graduate) and a transferable system of academic credits fostering cooperation in quality assurance. This will allow the interpretation of the meaning of these programs by using a common language of higher education. The new system has a major impact on the restructuring of HR programs in Hungarian universities. Starting from September 2006, 16 higher education institutions will offer HR related programs located either in their school of economics or arts and sciences. The changes in the degree offerings (i.e., bachelor, master, doctorate in HR) has an impact on the curriculum and final decisions on this changes are pending at this time.

Conclusions and Recommendations

This paper based on a literature review, document reviews from websites, and informal discussions with members of three of the institutions represents the first part of an empirical study. It addressed the historical development of human resources, the higher education institutions offering programs in this area and their curriculum. The findings show that the role of human beings in society is historically bounded by their political and socio-economic environments. The emergence of HRD in Hungary can be traced to management development efforts and their changing approaches to the human side of business as well as to adult education efforts filling the gap of traditional education and later focusing on lifelong learning based on the principles of andragogy. The hybrid, multidisciplinary nature of HRD was evidenced by the presence of its courses in different schools, departments and programs each of which add their disciplinary flavor to their curriculum. In the view of the changes in the higher education system in Hungary triggered by the Bologna agreement, in order to gain a deeper understanding of the above findings and expand on them the following research questions will guide the next phases of this inquiry: 1) How have human resources academic programs with a focus on human resource development evolved? 2) How did these academic programs develop their curriculum? 3) How are the subject matters included in their curriculum taught? 4) Why are students selecting these programs? 5) What type of research do faculty members in these programs engage in and how do they develop their research agenda? 6) How do alumni of the studied programs practice what they have learned? Since two of the main tasks of the AHRD International Committee are “exploring the teaching and research of HRD with scholars and universities around the world” and “exchanging best ideas of

how other cultures/countries practice HRD,” the results of our study will contribute to the above explorations and thus to the cross-cultural understanding of HRD education and practice.

Understanding how HRD practitioners and scholars are prepared in higher education institutions for their professional roles in Hungary is significant both for local and multinational organizations hiring HRD professionals and for scholars on a quest to empirically define what HRD is or has the potential to become in Hungary (and other countries) and/or those interested in joining the conversation proposed by Kuchinke (2004) addressing the roles of scholarship and practice in the field. Kuchinke identified the following three central issues in our field that need exploration, analysis and dialogue between practitioners and theoreticians: 1) the relationship between theory and practice, 2) the plight of the different knowledge produced by theoreticians and practitioners belonging to different organizational cultural systems, and 3) the limitation of social science research to bring understanding of the complex human and organizational problems faced by practitioners. Some of these issues recently sparked an interesting, respectful and thought provoking dialogue in the field of management triggered by Ghoshal's (1995) article and presented on pp. 92-113 of volume 4, number 1 of the *Academy of Management Learning & Education*. We hope that similar dialogues will expand our horizons and lead to new ways of thinking about the HRD field and its practical applications.

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