

Business Process Management in Educational Institutions

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Abstract: Management education is a specific part of management as a general phenomenon of organized, institutionalized society. In social practice, on the modern level of development, there are in all known countries of the world prescribed systems of organized education and, in parallel with them, or even contrary to them, specific systems. The educational system is a regulated and highly organized, programmed system which is necessarily controlled, and within it there are certain terms, factors, and relations, typical for management in general, but not all are used in the same way.

In the economy, which is relatively independent, based on private ownership and markets, in a direct competitive relationship with the arbitration market, management is necessarily independent (within the ownership powers) and possesses relatively high powers and responsibilities.

The educational system is under the direct jurisdiction of state and government bodies that make strategic decisions on the establishment, development, organization, and programs of education, the manner of the exercise, and the performance of the duties of supervision and evaluation of results. In the system there are different areas and levels of education that mutually differ. As mentioned above, the differences between management and management education emanate. They are in practice relatively wide even when it comes to education in a market - oriented education organization.

Key words: educational management - management in education, top manager, manager of university

The Study

Process of education, the result of which has always been some level of education of human subject, belongs among the most complex and most spread social realities. That is a real social change which saturates all social relationships and entire history of human society; it is in the basis of social development and development of personality as a rational, socially competent, successful social being.

Management, the essence of which is managing of processes, relations, groups, communities, organizations and institutions in society and society of people, but also managing or at least its adequate intervention, aimed – relevant and meaningful – at people's environment, is a real social activity – social phenomenon.

Exposed dominant understandings of education and management impose to us a number of important complex scientifically methodological, scientifically professional and practical issues. Therefore, let us tackle this one by one:

Management understood as an aimed, relevant activity of managing processes has various natures and attributes – from managing of organized processes to managing of crisis and disasters, but always understood as social process and always understood as social relation. Management is a form of work and influence, primarily of intellectual and psychical, and only sporadically manual nature. Its important role is in defining objectives, making orders that have to be performed during work process, according to defined rules, establishment of specific rules of conduct, control of performance and validation of performance and effects achieved by execution performance. Management is formed at different levels of organization.

We understand education as a process of acquiring of socially useful and personally applicable knowledge within the framework of occupation and profession and in realization of social communication and social position. Acquiring of knowledge is guided precisely by needs for socially useful work and social promotion, wherein education plays an important role. Education, as a term and reality, imposes the need of processing and terms of upbringing and training, and among other for application – practicing of acquired knowledge and capacities.

A derived construct „educational management“ – „management in education“ belongs to the important terms of this theme. On one hand, that term designates an educational area as a set of manageable processes, and on the other hand, as a management area.

We understand the term *educational management* in the widest meaning – so that indirect orientating influence belongs to its contents in entirety, and not only in educational system.

The term „educational institutions“ encompasses a very wide circle of independent and other social institutions, with their relevant features: 1) relatively permanent existing as an organized form of work of which it is primary role and overall task; 2) it has relatively stable plans and plans and programs of education; 3) these are legal institutions. Among those institutions the following certainly belong: A) all types of schools, whether as schools of a defined level, „state“, *private-owned*, or as one of *functional forms* of some other institution; B) relatively permanent forms of education in the framework of some economic organizations – enterprises.

Business side of work and business management are particularly different between private-owned educational institutions and state-owned institutions or those owned by some economic or other organization. In this sense, we should differentiate educational institutions that acquire all funds in open, external market and have free use of them, from institutions that do not acquire funds in market or they acquire them only partially.

The most obvious example is the difference between state- and private-owned primary schools and the management within them.

Education in state-owned primary schools has the following important characteristics:

- (1) materially – financial basis provided by the state according to its standards;
- (2) schools are obliged to work according to prescribed programs with relatively low possibilities for their varying, especially through the choice between more text-books for the same subject;
- (3) only those people who meet prescribed requirements can realize a teacher's role;
- (4) working hours, way of assessment of results and material compensation for certain work and success in work are approximately prescribed.

In such institutions possibilities for realization of management functions are very restrictive. Their restrictiveness is strengthened by the fact that citizens of a defined age are obliged to attend and to complete if possible corresponding primary school degree.

In those schools, be they simple or complex (central (master) school with more units separated in terms of territory) it is possible and as a rule it is so, one subject is the „TOP MANAGER“ – authorized and responsible for material – financial activities and for managing of educational processes.

Does such person suit to the model of „top manager“? Top – managers, in understanding of Aziz Šunje PhD, are: „managers positioned on the top of an organization, or managers who are responsible for business activities of entire organization. They, in contrast to middle-line managers, have so-called cross – sectoral responsibility, or responsibility for business activities of entire organization – all organizational units. Seen in that context, organizational top managers really are organizational key managers.“ (Šunje, 2003: 15)

According to opinion of the quoted author, „The role of business decision-making makes the essence of manager's job, and according to this concept, we can distinguish the following roles of business decision-making:

(1) Role of *entrepreneur*, role within which a manager shows up as initiator of changes, most often on the basis of information collected through the role of monitor (identification of external „opportunities“ and „risks“, initiating of new ideas...).

(2) Role of *disturbance handler*, within which a manager reacts to all kinds of disturbances that appear as result of pressures (and changes) out of manager's control – from a quarrel between two subordinates, to complaints made by a customer or a supplier...

(3) Role of resource allocator, role in which a manager shows up as central subject who decides which resources will be engaged and how the given resources will be deployed and mutually connected.

(4) Role of *negotiator*, with notice that managers, especially top – managers, spend a big part of time negotiating with different partners – customers, suppliers, unions, government and all stakeholders. Negotiation skill is however one of most appreciated manager's skills...managers, performing one role, most often simultaneously perform some other managerial roles.“ (Šunje, 2003: 15) Although this model does not show decision-making process, it is important because it allows comparing the most important function of a manager and a top – manager.

Top manager deals, relatively freely, with overall consent of the owner, with all key functions and businesses playing the role of supreme order issuing authority and controller in all matters of business activities, and business success is his/her main task and responsibility. That is also main criterion in measuring of his/her success.

Business making in budgetary, non-economic institution, certainly is not primary object of interest, but is satisfying of social needs for which the institution was established, and understanding is primarily directed towards usage of funds put at disposal by the budget, in the most effective and most functional way. Of course, we do not dispute the fact that, within business activity of a budgetary primary school there are necessarily procurements of means for maintenance of the school, the school hygiene, teaching materials, articles for pupil's kitchen (if applicable) as well as that selling of written off material, certain kinds of waste or, maybe services and products of pupils' cooperative. But, that cannot approach by any means to business transactions happening

in market, with competence and in order to gain profit. Top manager (principal of a state primary school) by his/her real role and functions in business activities of school, does not fit in ideal type of manager that can be found in postulates of manager as strategist and visionary of business.

With private-owned primary schools the thing is completely different. Indeed, they are also as regards relevant educational and upbringing activities due to fulfill their legally prescribed obligations and set standards. However, in business part they have very broad opportunities.

First of all, private-owned schools do not have obligatory attendants. On the contrary, they face strong competition of developed network of free-of-charge primary schools owned by the state. In that competition, they have to attract clients who can pay for it, and to succeed in that, it has to offer to those clients certain exclusivity – but without disturbing of basic, prescribed educational programs and standards of work. It has to (and should) offer and realize more and better, something that in clients' opinion you cannot obtain in state schools and which is worth of extra-paying for. We emphasize, it is about normal schools. It could be said that business part in such schools has all factors and characteristics of market business with limitations related to program realization and diplomas being conditioned by successful realization of those programs, implementers of which have to possess prescribed worker profile and attendants of defined age and health status.

Private owner of such school can be any subject (except the one prohibited by the law) whether as group or collective. However, specificity of management of such school is that its general manager and his deputy have to be from educational profession, which means subjects who acquired through their own schooling certain corresponding levels of professional education and verified practice. Other composition of management has to be in accordance with a school's needs (its organization and level of development) and regulations in effect. Most often, there occur middle-level managers from legal and financial profession.

An example of private-owned primary school points to appearing of a type of manager educated to perform unified managerial functions. Possibly the owner and top manager can be connected in the same subject with corresponding qualifications and that these, with support of expert associates who do not have status of manager or are "first-line managers" – „managers at first level of organization – people who coordinate work of operative executors at the bottom of organization.“ He/she performs all roles of top manager (interpersonal, informational, business decision-making) and all relevant functions of management (planning, organising, human resources function, leading, marketing, and control) with assistance of expert executants or with support from specially engaged people and institutions.

The most complex situation with identification of management and managers is at universities,(Franz and Nemeth, 2002; Shepherd, 1998) both at state- and private-owned. According to law, faculties remain corporations, which implies, in principle, rights and responsibilities of faculties in business activities, as well as corresponding management. However, by legal regulation of relation between faculties and universities where faculties can only exist within the framework of universities, by regulation of professional and academic education and position of institutions in interrelations, as well as schedule of competences and responsibilities of collective organs, makes big difficulties to application of ideal – typical concept of management in their business activities.

As for state universities and faculties, it is clear that in business sphere we can speak only about strictly restrictive management because: a) Ministry with influence of universities makes decision on number of students who will be admitted by certain faculties in certain status; b) for one number of students, the budget provides funds; c) costs of studying of "self-financed" students are formed under control and influence of competent Ministry, etc. These all lead to a situation that faculties introduced, beside Dean, status of "manager", as persons with special responsibility for extra-curriculum business activities, but everything is subject to the Dean. Hence, at state faculties and universities we cannot speak about standard type of management and manager, although those faculties can deal with non-educational profitable activities, in certain cases, (e.g. renting premises, providing certain intellectual services, expert advice, etc.) Private-owned university, especially if it is an individual subject, seeks to manage material and financial assets, to centralize them and use them with the least expenses and with profit. There are two typical situations: 1) University is the only activity and exclusive (or main) source of income of its owner; 2) University is only one specific business unit in owner's business system. In addition, head of university may be owner of university if he meets legal requirements – and then he embodies them, he is supreme governor of activities out of and in process of educational activity. Head of university can be any other person who fulfils conditions, for example a prominent scientist, but he is also, although competences of a head of university are defined by law and statutes of university, is greatly dependent on owner. Because, private-owned university is private property of "landlord" and he is in system, his business unit that has to be profitable. Since head of university (as well as deans) does not have to be familiar with economy and applied economics, with legal – administrative and other non-educational business aspects, we encounter *manager of university*, who leads extra-curriculum activities, but also some closely related to educational processes and their function.

At such universities it is very difficult to identify real managerial roles, authority and responsibilities of head of university, dean, managers of faculties and universities on one hand and owner and management of a

system in which and within which university operates. Even when a university does not belong to another, wider business system, it is very difficult to distinguish between normatively defined competences and responsibilities between managerial organs and collective organs, as well as between organs of university and of faculty. It is even more difficult to make it in practice. A very complex and important issue arises: what in educational management sphere brings a concept that it is state and private-owned institutions that are independent in performing of educational business? Is not it a new concept of independence of universities? It is obvious that it is a very complex concept that can be realized with extreme difficulties. Independence is always under material and legal independence, and that material – legal independence is a condition for independence of educational and upbringing process, which means management in education as well. From the above exposed, it can be relatively clearly seen *executive character* of management in education. The state sets basic frameworks, it more or less defines our plans and programs and conditions to be fulfilled by their executors, prescribes conditions under which those programs can be performed – including organizational structure, as method of acquiring of funds through these activities. Management of educational institutions mainly makes influence indirectly, and its main task is to organize execution of tasks posed by the state. Generally taken, this relates to state- and private-owned educational institutions equally.

Do the above considerations allow us the mentioned conclusion? Basis of the issue is the fact that all legal organisations have to comply with legal frameworks. However, regulation relating to institutions, and especially to the educational ones, is far more detailed and concrete, and possibilities of management more reduced. In that sense, even in private-owned educational organizations, only one specific form of restrictive management can be established. And secondly, it is evident that management of educational institutions is clearly divided into two spheres: (1) conditionally named "business sphere" and (2) educational sphere.

In business sphere, no matter how limited it might be, we discover functions of management and managerial roles where this is manifested in private sector of education in a more evident and more accented way. Everything that we said until now on management in business sphere of education is valid for special schools as well (army, police, diplomacy, etc.), and for educational forms in enterprises and other forms of education that perform their functions in framework of other systems, and with all that it is more emphasized. It is possible that such forms do not even have their management in area of material – financial business activities. Examples for this are those forms of education in enterprises without permanent organizational forma or plans and programs of education. All their material – financial transactions are related to and mediated for manager of human resources (human resources, cadre) of an enterprise. Reason for that is activity which imposes domination of educational and upbringing process and its results as criteria of a successfully achieved goal.

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