Developing Effective Educational Strategies in Kazakhstan

Nurlan Kurmanov
L.N. Gumilyov Eurasian National University, Astana city, 11Kazhymukan str., Astana, 010000
Email: n.a.kurman@mail.ru

Azamat Yeleussov
Academy of Public Administration under the President of the Republic of Kazakhstan, Astana city 33 a Abay str., Astana, 010000, Kazakhstan

Ulukbek Aliyev
Academy of Public Administration under the President of the Republic of Kazakhstan
Astana city, 33 a Abay str.Astana, 010000, Kazakhstan

Baurzhan Tolysbayev
L.N. Gumilyov Eurasian National University, Astana city, 11Kazhymukan str., Astana, 010000, Kazakhstan

Doi:10.5901/mjss.2015.v6n5s1p54

Abstract

The purpose of this paper is to investigate the current state of business education market in the Republic of Kazakhstan. The research methodology is based on the processing of secondary data that makes it possible to conduct a preliminary analysis of the problems. The author gives an assessment of the current business education system. The conducted study led to the conclusion that contemporary business education in the Republic of Kazakhstan provides rather quality education from an academic point of view, though faces certain problems when focusing on business needs. The author reveals the existing problems and deficiencies of the business education system in the country, as well as identifies key trends and growth options of bachelor and master degree courses, as well as short-term courses in business education system in the Republic of Kazakhstan.

Keywords: Business-education, business school, higher education institution, human resources, business environment, entrepreneurship, MBA programs, master degree program, staff training.

1. Introduction

Strategic priorities for socio-economic growth of the Republic of Kazakhstan, associated with the industrial and innovative development, make business education an important resource for the new economy.

In order to properly understand the economic situation, to know and apply into practice the initial, though necessary business concepts, it is preferable to have relevant education. Adapting to new social challenges requires creative approach and innovative ideas that generate meaningful context for contemporary educational paradigm (Anja, 2013). At the present time, when the Republic of Kazakhstan, like other member countries of the Customs Union, is facing serious economic problems, the business education system should play an important role in helping to meet these challenges. Institutions can and should contribute to economic growth, primarily through the provision of graduate quality training not only for general employment, but to fulfill specific tasks in the employment sector. Significant efforts are focused at creating opportunities for on-the-job training, as well as enhancing the participation of employers in the business education system.

Traditionally, the United States and Western Europe were always considered the most popular environment for business education and subsequent employment. In recent years, the center of global economic growth is clearly shifting towards the Asia-Pacific Region (Filatov et al., 2013).

In a market economy, which was chosen by Kazakhstan more than 20 years ago, entrepreneurship is country’s main driving force, largely depending on the level of business education. Separation of a business education segment
from secondary vocational economic education was due to the structural changes and socio-economic transformations, associated with obtaining state sovereignty and economic independence, transition to a new type of economic relations, development of entrepreneurship and private property institution (Malysheva, 2012).

Business education programs are implemented in Kazakhstan since the second half of the 1980s and their popularity in the business environment increases from year to year. This trend was slowed down at the time of the global financial crisis. However, given that the number of business schools in the country for the last five years have not diminished, but rather increased, it is worthwhile to note the growing interest in business education (Zhaitapova, & Satyvaldiyeva, 2012).

At the same time it should be noted that there is the lack of consensus when it comes to the comparative evaluation of the success in business schools development. Proponents of business education point out the rapid growth of business schools, and the popularity of programs developed for students, alumni, and graduate students. Censurers argue that the traditional curriculums at business schools are mostly academic and quite far from practice, thus not helping graduates to develop successfully their business in future (Hodge, et al., 2014).

2. Methodology

Problems of business education, its role and the results were studied by many foreign and Kazakh scientists. Issues in the field of business education are considered by scholars, such as V. Mau, A. Aganbegyan, L. Yevenko, and V. Kovalev. At the same time the problems on business education and its contribution to the Republic of Kazakhstan are studied insufficiently and require further focused attention.

Taking into account the lack of official statistic data on business education in the Republic of Kazakhstan (as well as in other post-Soviet countries) current study has an experimental and evaluative nature. The research methodology is based on the processing of secondary data that makes it possible to conduct a preliminary analysis of the problems.

We used descriptive and conservative approaches, as well as generalization and a retrospective analysis.

3. Assessment of the Higher Education System in the Republic of Kazakhstan

Following independence and the beginning of the transition to a democratic society and a market economy, a significant progress has been achieved in reforming of higher education in Kazakhstan; the principles and content of education have been radically changed. The supportive environment was created for the education market formation and development that covered both public and private educational institutions.

Higher education institutions network was created to train staff that meets the needs of a market economy. Besides, new training programs and curriculums were developed and implemented, new specialties were initiated. The main trend in the higher education development was refusal of centralized management in education and the abolition of rigid centralization of higher education institutions. As a result, the private higher education sector has started to work on an equal footing with public universities, which were granted the right to enroll and educate students on a fee-paying basis. This initiative was supported by the Kazakhstan Competition Law.

The most important were efforts that resulted in the recognition of Kazakhstan diplomas abroad and similarly, recognition of foreign certificates and qualifications in the Republic of Kazakhstan. This was facilitated by signing President’s Decree #202-13 (April 11, 1997, Kazakhstan) and the ratification of Convention on the Recognition of Qualifications concerning Higher Education (December 13, 1997, Lisbon).

In 1998, the International Convention, unifying higher education system worldwide, was adopted. The American model with the stages of bachelor degree course, master degree course, and doctorate program was approved as a standard. Now, the countries in Europe and Asia, including the CIS countries, gradually change to this system.

An important development line in higher and postgraduate education of the Republic of Kazakhstan is its approach to international standards by joining of domestic undergraduate and postgraduate education to the Bologna Process.

Currently, in the Republic of Kazakhstan a multi-level training model is applied, which includes business education, providing training of specialists for market economy (OECD Bulletin, 2007). Established educational structure consists of the following education stages:

- higher professional education (bachelor and master degree courses);
- continuing professional education (retraining and advance training);
- business education (international business schools, corporate universities and training centers, training and consultancy companies, business colleges, etc.), which implement a wide range of business education programs.
Bachelor and master degree courses are independent stages in the higher education process. Bachelor's degree is an academic degree that any university student can get after acquiring the necessary knowledge in the chosen specialty. This qualification is considered a confirmation that the student has acquired higher education and is well-versed in the chosen specialty.

After receiving a bachelor's degree, a citizen of the Republic of Kazakhstan has the right to hold certain positions for which one should have a higher professional education. These are primarily the employees of different social and economic spheres (administrators, managers, accountants, etc.).

Numerous professions offered by universities in Kazakhstan provide students wide employment opportunities. Due to the fact that students' professional training is maximally close to the real practical conditions and is not focused just on narrow specialization, university graduates can change their profession within one year.

Master degree course is the upper stage of higher education. With the right choice of specialization, the student not only increases his motivation to learn, but also enhances the overall performance. In order to be enrolled in a master degree course the student first must have a bachelor's degree or be certified specialist in selected profession. If we take into account the fact that bachelor degree courses emerged not so long ago, most of the graduates willing to be enrolled to master degree courses, are graduate professionals. Besides, adults who want to get second higher education are also trained in the master degree courses.

During the period from 1990 to 2001 the number of higher education institutions, offering management training in the Republic of Kazakhstan, has increased from 55 to 185, i.e. more than 3 times. Since 2000, the total number of higher educational institutions decreases. Indicators showing higher education development in the Republic of Kazakhstan for 1990-2013 are presented in Table 1.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1990/91</th>
<th>2001/02</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of higher education institutions</td>
<td>55</td>
<td>185</td>
<td>149</td>
<td>146</td>
<td>139</td>
</tr>
<tr>
<td>Number of students</td>
<td>287,367</td>
<td>514,738</td>
<td>620,442</td>
<td>629,507</td>
<td>571,691</td>
</tr>
<tr>
<td>Number of academic staff</td>
<td>21,955</td>
<td>34,508</td>
<td>39,600</td>
<td>40,531</td>
<td>41,224</td>
</tr>
</tbody>
</table>

Currently, there are 139 higher education institutions in the Republic of Kazakhstan; 50 of them are public universities (including 9 national universities, 1 international university, "Nazarbayev University", 33 public universities, 16 corporatized universities, 66 private universities, and 13 non-civil universities) (Aganbegyan, 2009) with an enrollment of 571.7 thousand students (excluding graduate and doctoral students).

4. Development of Business Education in the Republic of Kazakhstan

American model of business education in the MBA program is also widely developed in parallel with the academic education. The program assigns the highest degree in business administration to the properly trained specialists. The MBA certificate is highly regarded in the business world and is an important step towards a successful managerial career.

Currently, the MBA (Master of Business Administration) and DBA (Doctor of Business Administration) programs became part of the educational system in the Republic of Kazakhstan. They are included into the specialty classifier and are supported by developed national standards.

The first programs in the field of management and business administration were initiated at Kazakhstan Institute of Management, Economics and Predictive Modeling (KIMEP) and the International Academy of Business (IAB).

Alma-Ata School of Managers (ASM) was established in 1988. Later it was transformed into the International Academy of Business (IAB) in accordance with the Governmental Directive of the Republic of Kazakhstan #1387 of November 14, 1996. The training of top and medium-level managers, as well as staff training for the domestic economy was carried out through short-term classes, seminars and workshops. The realization of the fact that there was a need for more long-term programs (for six months, a year or two years) came a little later. In 1995 ASM won two international projects that contributed to strengthening its own material and technical base and train academic staff abroad. In 1996 ASM launched the first MBA program.

The program gradually improved, and in 1998 ASM together with the Dutch Maastricht School of Management launched MBA dual degree program. In 2005, when ASM began to implement international research projects, the first program, namely Doctor of Business Administration (DBA) was initiated.

In 1992, Kazakhstan Institute of Management, Economics and Strategic Research (KIMEP) was established by the
led and supervised by businessmen, provides training for a period of three months at three development stages.

The training program of young entrepreneurs, unemployed citizens and students under the age of 29, which will be
enterprises, the School of Business at the National Chamber of Entrepreneurs of Kazakhstan was established in January
districts), as well as in the cities of Almaty and Astana.

In business. Training is conducted by professional lecturers and trainers in 14 regions of the Republic of Kazakhstan (209
entrepreneurship; psychology of entrepreneurship; business plan; marketing activities; personnel management; finance
modular training, as well as organizing industry-specific workshops in a broad thematic sphere. Among major players in
companies, providing a wide range of educational services from holding public workshops to conducting comprehensive

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providing a wide range of educational services from holding public workshops to conducting comprehensive

As part of implementation of the Decrees adopted at the 3rd Kazakhstan Financiers Congress, where President
Nursultan Nazarbayev instructed the Ministry of Education and Science, the National Bank of Kazakhstan, and the
Association of Kazakhstan Financers to work together to improve the quality of financial experts, the master degree
course of the National Bank of Kazakhstan was launched. In accordance with the Agreement on joint activity between
the National Bank of Kazakhstan and the Kazakh Economic University named after T. Ryskulov, since March 2003 the
master degree courses on MBA program were initiated in the following specializations: “Banking Operations”, “Insurance
Business”, “Securities Market” and “Regulation of Macroeconomic Processes”.

In general, in the Republic of Kazakhstan, 12 business schools, including three overseas institutions, currently offer
opportunity to receive MBA degree. At that, programs on financial and banking management prevail at almost all of these
schools.

Along with them, in the business education market there are many other education centers, training and consulting
companies, providing a wide range of educational services from holding public workshops to conducting comprehensive
modular training, as well as organizing industry-specific workshops in a broad thematic sphere. Among major players in
this market segment we can distinguish PwC Academy, Caspian Training Group, Key Partners, Consulting, MAB Center
for Management Development, KIMEP Executive Education Center, etc. (Monobayeva, 2013).

Since 2009, the "Damu" fund implements the "Business Adviser" project. Because of its effectiveness, in 2010 it
was included to the fourth approach of the "Business Road Map-2020" program. The "Business Adviser" project offers
people with entrepreneurial initiative, as well as active entrepreneurs a short-term training to create their own business
and acquire the basic knowledge in marketing, human resource management, the legal basis for doing business, and
finance. The training program "Express Course of Entrepreneurship" includes the following topics: introduction into
entrepreneurship; psychology of entrepreneurship; business plan; marketing activities; personnel management; finance
for entrepreneurs; legal aspects of entrepreneurship; and skills for using information and communication technology (ICT)
in business. Training is conducted by professional lecturers and trainers in 14 regions of the Republic of Kazakhstan (209
districts), as well as in the cities of Almaty and Astana.

Besides, training of entrepreneurs is carried out also at the Higher School of Business "Nazarbayev University"
with involvement of foreign training centers.

Training pursues the following goals:

- Studying the up-to-date models to build and run a business;
- Increasing companies competitiveness, survival and sustainability;
- Increasing the entrepreneurial level of doing business.

In addition, in order to increase the flow of young businessmen and ensure the sustainability of the new
enterprises, the School of Business at the National Chamber of Entrepreneurs of Kazakhstan was established in January
2015. The training program of young entrepreneurs, unemployed citizens and students under the age of 29, which will be
led and supervised by businessmen, provides training for a period of three months at three development stages.
Thus, over twenty five years, business education market in Kazakhstan has reached a qualitatively new level and gradually acquires international recognition. The leading national business schools receive international accreditation, making their certificates convertible.

5. Analysis of Business Education Effectiveness

Thousands of businessmen and entrepreneurs completed training and received professional management education based on programs of Kazakhstan business schools.

The quality of business education has a direct impact on improving the enterprises competitiveness and enhancing the business climate in the country.

According to the World Bank rating, Kazakhstan's achievements in business education have a positive trend. Thus, for example, in 2009 the country was ranked 64th, whereas in 2014 it was ranked 50th. According to the global ranking “Doing Business-2015” of the World Bank, which covered 189 countries worldwide, Kazakhstan occupies 77th position in terms of the overall business climate (World Bank Report, 2015). However, the rating downgrade is due to a change in methodology for calculating the index.

The increase in the country’s competitiveness index may also indicate the improvement of the business education quality.

According to the «Global Competitiveness Report 2014-2015» published annually by the World Economic Forum (WEF), Kazakhstan again was ranked 50th with an average score of 4.4, holding steady results of the previous year and being ahead of Russia (53rd position), Ukraine (76th position), and Armenia (85th position). Competitive advantages of Kazakhstan, according to WEF experts, still are labor market efficiency (15th position, 2013-15) and the macroeconomic environment (27th position, 2013-23).

In terms of higher education and professional training index, which indicates the involvement of the population in secondary-level and higher education, training quality and professional development, Kazakhstan is at the average level.

The sharp decrease of the indicator by 8 grades is due to lowering the involvement of population in secondary school from 101.9% to 97.7% (42, -13), as well as staff development (-6 positions). Respondents’ opinions about the quality of the education system slightly improved from 3.4 to 3.6 points (76, +12). It should be noted that in comparison with the results of last year, the percentage of respondents, who indicate low-skill of personnel as the most problematic aspect of doing business, has significantly declined down to 6.8% from 13.3% in 2013.

As for the quality of management schools, Kazakhstan is ahead of most CIS countries, including Russia, though behind the Ukraine and the Baltic countries. In terms of personnel development, Kazakhstan is second only to the Baltic countries (Table 2).

Table 2. The competitiveness ranking of some CIS countries as pertaining to higher education and training

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Kazakhstan</th>
<th>Russia</th>
<th>Moldova</th>
<th>Armenia</th>
<th>Ukraine</th>
<th>Tajikistan</th>
<th>Estonia</th>
<th>Azerbaijan</th>
<th>Latvia</th>
<th>Lithuania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher education and personnel training</td>
<td>62</td>
<td>39</td>
<td>84</td>
<td>75</td>
<td>40</td>
<td>88</td>
<td>20</td>
<td>90</td>
<td>31</td>
<td>26</td>
</tr>
<tr>
<td>Quality of management schools</td>
<td>92</td>
<td>104</td>
<td>125</td>
<td>116</td>
<td>88</td>
<td>108</td>
<td>48</td>
<td>124</td>
<td>52</td>
<td>60</td>
</tr>
<tr>
<td>Quality of the education system</td>
<td>76</td>
<td>84</td>
<td>103</td>
<td>86</td>
<td>72</td>
<td>58</td>
<td>35</td>
<td>104</td>
<td>65</td>
<td>55</td>
</tr>
<tr>
<td>Personnel development</td>
<td>62</td>
<td>89</td>
<td>120</td>
<td>119</td>
<td>92</td>
<td>103</td>
<td>36</td>
<td>94</td>
<td>33</td>
<td>50</td>
</tr>
</tbody>
</table>

Thus, it is logical to assume that the positive changes in the business environment are largely due to an increase in the quality of national business education.

At the same time, the results of an opinion poll, held by the Department of Students Affairs of "Kesipkor" Holding, show that about 63% of Kazakh employers are not satisfied with the graduates training level. Besides, 44.5% of employers noted that in general they are not satisfied with the level of graduates training in Kazakhstan. At that, 18% of employers noted that today's business education does not meet modern economy requirements and needs. The study showed that 32% of employers cannot fill their vacancies with suitable personnel (Business information center "Capital", 2014).

The effectiveness of business education in the Republic of Kazakhstan can be judged by the results of the survey.
taken by participants of "Business Advisor" project, who were trained from 2011 to 2013, as well as by monitoring of their business activities (Marketing and social research agency «Damu Research Group», 2013). Based on a questionnaire and a telephone survey, most students (64%) assess the level of course taught as "very high". In fact, 98% of the participants agreed with the following statement: "During the workshop I got a lot of new and interesting information". Another statement: "Workshop’s topics directly reflected the specifics of my job" also has received high positive assessment: 85% in 2012 and 70% in 2013.

According to the survey carried out among the "Business Advisor" project participants, the greatest interest of all "CST-2020" projects was caused by the topic "Subsidizing the interest rate on the loan", which accounted for 68% of all the respondents. The second most important topic for entrepreneurs was "Ensuring lending", accounting for 59%. Besides, almost 43% of entrepreneurs, who completed short-term courses, would like to seek service support within a framework of "CST-2020" projects. The lowest interest was caused by the "Damu-Startup" project; just 12% of respondents expressed their interest in this product, probably due to the fact that this area is relatively new and target audience yet did not have time to learn all the benefits of this service.

With regard to business education in MBA programs, it has the potential demand mostly among professionals or company managers, who wish to enhance their professional skills and to achieve certain career goals. On the other hand, the need to acquire additional knowledge in business is required also by self-employed professionals and business owners. The age of this target audience ranges presumably from 25 to 39. The values of this group are based on the career and professional development, therefore for them MBA is a topical product to meet their needs.

According to the research, which is presented by Kirichok average progress skills of students in acquiring various courses is as follows: special skills (according to the learned course within the program) (50%), leadership (37.5%), teamwork (33%), oral communication (19%), planning (19%), and project management (19%) (Kirichok, 2013).

6. Problems and Development Trends of Business Education in the Republic of Kazakhstan

Currently, many Kazakh companies lack qualified professionals. Negative trends in the education system are dramatized by structural problems, including outdated models of educational process management, as well as lack of up-to-date teaching and administrative personnel.

The following challenges can be highlighted as the main problems hindering the development of business education in the Republic of Kazakhstan, (Kozhakhmetov, & Kurinkeeva, 2012).

- The lack of MBA programs at the National Universities;
- The lack of research on business education in the Republic of Kazakhstan;
- The lack of development strategy of business education in Kazakhstan;
- The lack of professional rankings of business schools and programs;
- The poor quality of the students selection for the program courses (students without practical managerial experience are usually admitted for training);
- The lack of qualified teachers, practitioners and educators teaching in the Kazakh and English languages;
- The lack of internationalization of higher education teaching personnel (domestic teachers do not teach abroad);
- The lack of students international mobility (both Kazakh and foreign),
- The lack of career centers at business schools for MBA graduates;
- Business education is not considered as the business infrastructure element;
- The lack of national standards of business programs (MBA and DBA);
- The programs lack practical component, i.e. Kazakhstan-oriented cases;
- The lack of state educational grants for MBA and DBA programs;
- The high concentration of business schools (more than 80% of MBA programs are held in Almaty);
- Non-transparency of the business education statistics;
- High rates of educational loans;
- The lack of professional associations of business schools.

Currently, there are following trends in Kazakhstan's business education market:

- In bachelor degree courses:
  1. Increased competition between universities, providing training in the field of economics.
  2. Reduction in the number of students trained in the field of economics.
    - Reorientation of prospective students towards technological specialties.
• Low birth rates during the period from 1990 to 1999.
• Increase in number of students wishing to pursue higher education abroad.

3. Strengthening the orientation of students on economic universities with a high level of graduates employment.
   – In master degree courses:
     1) Increase in the number of MBA students.
     2) Increasing competition between local and foreign business schools.
        • 1st group - Kazakhstan business schools and universities;
        • 2nd group - Russian business schools;
        • 3rd group - Western business schools.
     3) Increasing integration into the world system of business education.
        • MBA dual degree programs;
        • Organization of field module at a partnership business schools;
        • Foreign higher education teaching personnel;
        • International accreditations.
     4) Increasing government regulation of MBA programs in the short term perspective and the reduction of state regulation in the long run.
   – In DBA programs:
     1) Increasing integration into the international business education system;
     2) Creation and development of national programs, including those in national language;
     3) Strengthening governmental regulation of DBA programs in the short term perspective and the reduction of state regulation in the long run.
   – In short-term courses:
     1) A dramatic increase in demand for short-term programs.
     2) Increasing focus on corporate workshops as compared to public ones.
     3) Increasing specialization of consulting companies. The demand will become systematic, the market is clearly structured (consulting companies will not be able to develop all approaches at once, and thus will be forced to focus on a few basic services) (Bokyzhanova, & Rystambaeva, 2011).

7. Conclusion

In conclusion, it should be noted that today's business education market includes strongest players, who have the ability to provide exclusive educational product that has practical significance and is designed for each individual economy sector. Business schools in the Republic of Kazakhstan must be more actively involved in improving the system-related economic and business education. They must govern its legislative and state education policy, improve education towards its internationalization, enhance and deepen cooperation with the business schools worldwide.

The measures to ensure further development and improvement of programs in the field of business education include obtaining international accreditation (AMBA, AACSB, and EQUIS) by Kazakh business schools and their participation in world rankings.

References


