

Fostering Leadership through Education: Analysis of the Romanian Higher Education System

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Abstract. *This paper aims to examine the impact of leadership in the Romanian Higher Education System starting from the analysis of the Business Administration undergraduate field, in which the development of leadership competencies is fundamental. Using descriptive analysis to look at data from secondary sources about the undergraduate educational offer provided by the universities in the field of Romania in Business Administration, the article reveals a decline in the number of study programmes offered in this area by state universities. Additionally, referring to secondary data related to the number of admitted students and graduates from bachelor programmes in Business Administration, the graduation rate has been computed, revealing a decrease that suggests a diminishing engagement in education completion. These findings substantially add to our understanding of how the educational offer has evolved in Romania and of the interest expressed by the completion rate of existing study programmes. In addition, data on the employability of graduates was also considered to determine whether those who completed their studies could be successfully absorbed by the labour market. At the same time, the paper highlights the necessity to have a graduate monitoring system in place that would allow universities to adjust the educational offer so that it will match the requirements of the job market and to ensure efficient and effective resourcing.*

Keywords: education, leadership, higher education, graduation rate, impact.

Introduction

Education is the key to enhancing our quality of life, improving our health, learning skills that enable us to get jobs with a significant impact on communities, but at the same time, education is the key to changing how we think and act towards others.

When it comes to choosing what to study, especially after graduating high school soon-to-be students wonder which path they should follow, as the market is constantly changing.

Therefore, due to its versatility, many upcoming students choose to pursue programmes in Business Administration, and this is also visible in Romania based on the annual reports of the Ministry of Education (ME, 2022; ME, 2023; ME, 2024) which state that this major has a high number of assigned places. There are also similar preferences across OECD countries, with the business, administration, and law field of study being the second most chosen by students (OECD, 2023).

The variety of subjects covered by the Business Administration field of study allows students to have more flexibility in their career choices as they develop skills in management,

entrepreneurship, marketing, finance, but also leadership skills. Through the vision of leadership, taking this academic path is meant not only to lead them to land great job opportunities afterwards, but also to self-knowledge, since leadership's first lesson is to understand what you are driven by (English, 2015) and this can only be accomplished through knowing yourself.

Usually when we hear the word leadership, we tend to associate it with business, and perhaps also upcoming students enrolled in programmes in this field had this first impression, but delving deeper into the subject we realize that in fact this concept is now widely used in areas such as education and even in our daily life, and that its purpose is to foster cooperation and collaboration between the entities involved. In other words, leadership can be defined as a journey shared with others and experienced with and through others (English, 2015).

Although the Business Administration field is one of the most appreciated, unfortunately in the past few years the number of students enrolled has been decreasing at the national level due to demographic decline (ME, 2023; ME, 2023). Given the uncertain climate that is constantly being shaped year after year the situation in this field of study needs to be assessed to be able to anticipate potential factors that could lead to a decrease in the number of students admitted in the future.

The challenges and threats that the Business Administration field might face in the future could be handled through fundamental leadership. The adoption of policies aimed at promoting careers in this field, tailoring the curriculum to the needs of the students and the requirements of the labour market (Kogan & Brennan, 1993), and even establishing partnerships with organisations to ensure development opportunities for students during and after the study programme could be the first steps that could maintain better performances when it comes to enrolment and completion of the studies.

This study explores the dynamics of the higher education system in Romania by exploring the trends in the number of enrolled students and the completion rate of bachelor degree programmes in Business Administration field offered by the public universities based on the limited data available.

Literature review

Business Administration field in Romania: overcoming challenges through leadership

The high level of interest that the Business Administration field is enjoying among upcoming students, as reflected in the annual reports drawn by the Ministry Education (ME, 2024; ME, 2023; ME, 2022), also brings challenges to the table, since the market is constantly evolving, and as a result, the higher education system faces the need to adapt to these developments as quickly as possible.

However, the main constraint limiting fast adjustment to labour market demands especially when it came to curricular reform used to be the restricted autonomy of universities considering the previous law of education – Law no. 1/2011 (Dima, Busu, & Vargas, 2020). During the time in which this law has been in place the number of students enrolled has registered a decrease (Dima, Busu, & Vargas, 2020) and there was also a substantial decline in the number of organised study programmes (ARACIS, 2020) bearing in mind that the low demand for some programmes has led to their dissolution.

But we cannot conclude that the previous education law contributed directly to the decline because the decrease in the number of enrolled students in higher education could be also explained by the demographic decline and by the low number of high school graduates who passed the baccalaureate exam (Dima, Busu, & Vargas, 2020). Yet, by restricting university autonomy over

curriculum through various quality assurance mechanisms (ME, 2011) the law has created an imbalance between the educational offer and the requirements of the labour market.

Quality assurance measures in higher education are crucial, but in order to foster productivity within higher education institutions, as well as students' satisfaction leading to external performance through their results (Iordache-Platis, 2017) actions that encourage cooperation between institutions mainly when it comes to curriculum designing should be more present. Under the new law of higher education (ME, 2023) the aspects mentioned above are covered and the potential impact will be considered for further research.

The impact of leadership in graduates' employability

Bringing into consideration the employability of graduates in this field, we note that the flexibility of the domain allows them to land a job, but not particularly in sectors related to the major completed (UEFISCDI, 2022).

A previous study that also analysed graduates from Romania underlined that business graduates as well as employers weren't so confident in the level of proficiency in the eight key competencies previously established in the research, which included leadership (Azevedo, Apfelthaler, & Hurst, 2012). In addition, the study pointed out that competency development should be strengthened in the undergraduate business programmes, and encouraged the idea of focusing on a small set of key competencies instead of promoting a never-ending list of skills that should be fully developed until graduation (Azevedo, Apfelthaler, & Hurst, 2012). Although many years have passed since this research has been conducted, these issues remain relevant given the imbalance between what is studied and what is practiced, an observation reinforced by the limited employment data (UEFISCDI, 2022).

Furthermore, a more recent report published by European Commission highlights that the main barrier in ensuring adequate skills is the "poor performance of education" coupled with the lack of responsiveness to market demands (European Commission, 2023). A stronger connection with the organisations that expect to recruit graduates from business majors could be established through partnerships, internships, programmes that promote career readiness and motivate students at the same time to explore in depth the field that they opted for.

The last two reports issued by World Economic Forum focus on the future of jobs highlighted that the main obstacle to business transformation in the labour market is the lack of skills (World Economic Forum, 2025; World Economic Forum, 2023) which is steadily becoming more prominent. Therefore, employers decided to make a priority out of upskilling their workforce. As mentioned above, developing partnerships between higher education institutions and employers may significantly contribute to an accelerated business transformation through graduates who are considerably better qualified for the challenges of the labour market.

Existing literature has been focused on general trends in higher education, lacking insights on specific fields of study. Furthermore, the research available discusses the integration of graduates into the labour market but it does not provide relevant information regarding the professional tracks of graduates and the contribution of education to their careers in Romania. In addition, there are research gaps in performance evaluation of the study programmes, which are more often analysed at national rather than regional level.

This paper aims to address these gaps by focusing on a particular field of education such as Business Administration and providing at the same time a regional perspective of the performance of the study programmes organised in this field in Romania. Moreover, this study brings a new

approach to labour market insertion of Business Administration graduates by examining their employment outcomes and whether these are in line with the field of study.

Methodology

The aim of the paper is to address two central questions: the first one is focusing on the evolution over the past decade of the undergraduate study programmes in Business Administration field as well as on the enrolment and graduation rates of students across the Romanian regions, while the second research question is centred on the ability of the labour market to integrate recent graduates into the workforce.

In order to be acquainted with the educational offer available in the Business Administration field and also to answer to the research questions stated above, an exploratory analysis has been carried out based on the data collected from the sources that will be described in this section.

The secondary data available for the Romanian higher education bachelor's degree study programmes during 2014-2023 in the field Business Administration has been gathered by accessing the nomenclatures of study programmes provided by Romanian Agency for Quality Assurance in Higher Education (ARACIS) (ARACIS, 2020). Only study programmes offered by state universities were included in this research and they were classified using the second level of the Nomenclature of territorial units for statistics (NUTS 2) developed by the European Union (EU) (Eurostat, 2024). Concerning the classification of study programmes by basic regions, the region in which the institution that offers the programme is located has been considered, not the one in which the study programme is held.

The data referring to the situation of the number of admitted students between 2014 and 2020, and the number of students who completed the bachelor's degree programmes in Business Administration field between 2017 and 2023 were obtained through a request addressed to the National Council of Higher Education Statistics and Forecast (CNSPIS) during the same period. To maintain data privacy, the values provided have been classified by basic regions using the second level of the Nomenclature of territorial units for statistics (NUTS 2) developed by the EU.

Given that the undergraduate degree programmes in the Business Administration field duration is 3 years the graduation rate has been estimated by dividing the number of graduates from the end of the last academic year of the study programme by the number of admitted students enrolled in the first year of the same study programme (3 years before). The following formula has been used to estimate the graduation rate:

$$Graduation\ Rate_{year\ N}^{(estimated)} = \frac{number\ of\ graduates\ (year\ N)}{number\ of\ admitted\ students\ (year\ N - 3)} \times 100 \quad (1)$$

Regarding the data about employability of graduates in the field of Business Administration, all insights have been retrieved from the platform angajabilitate.uefiscdi (UEFISCDI, 2022), developed by The Executive Agency for Higher Education, Research and Innovation Funding (UEFISCDI) in collaboration with The West University of Timișoara (UVT). The analytical module was consulted in order to gather the relevant results. Table 1 presents the defined selection criteria:

Table 1. Defined selection criteria for the platform angajabilitate.uefiscdi

Criteria	Observation
Field of study	Business Administration
Study Level	Bachelor's Degree
Universities	Private universities have been excluded
Academic graduation year	2016-2017; 2017-2018; 2018-2019
Years from graduation	Graduation year has been selected

Source: Authors' own research.

Moreover, the data from the platform angajabilitate.uefiscdi hasn't been grouped by basic regions according to NUTS 2 and has been presented at national level to assess the overall situation.

Tableau and Microsoft Excel were used to process and visualize the data obtained from the sources mentioned above.

Results and discussions

The main purpose of this section is to showcase the main findings and answer the research questions addressed previously by exploring the trends in the number of study programmes offered, student enrolment, graduation rates and employability in the Business Administration field.

Therefore, to answer the first research question, which concentrated on the evolution of the undergraduate study programmes organised in Business Administration field and also on the enrolment and the graduation of students, based on the data gathered by accessing the nomenclatures of study programmes provided by ARACIS we noticed that between 2014 and 2023 the number of study programmes in Business Administration field has decreased, also shown in Figure 1.

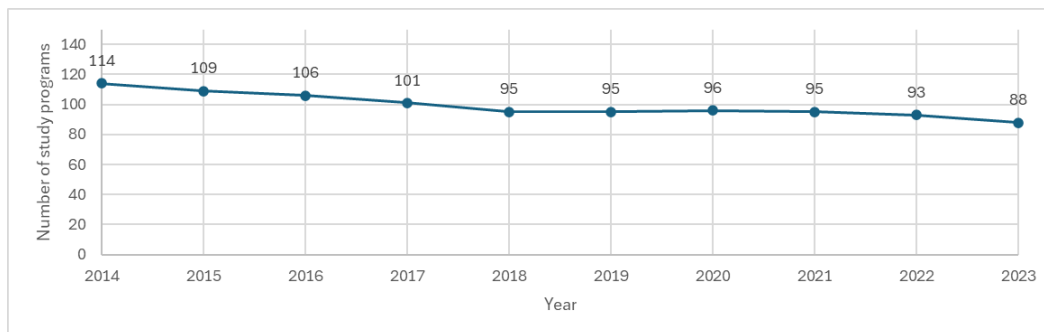


Figure 1. Evolution of the number of study programmes offered in Romania in Business Administration field between 2014 and 2023

Source: Authors' own research based on (ARACIS, 2020).

Looking at the number of study programmes organised in 2014 and comparing it with the number of study programmes offered in Business Administration field in 2023 classified by NUTS 2 we noticed a major decrease in the number of study programmes held in Bucharest-Ilfov, West, Centre and South-West Oltenia regions. Among the regions examined, the South region is the one that launches a new study program, while the South-East region is the one that has managed to keep the educational offer consistent, even though during the years considered there were also study programmes that have been discontinued. Table 2 shows the evolution of the undergraduate degree programmes organised by the public universities in Business Administration field grouped by regions.

Another interesting find is that even if the region Bucharest-Ilfov includes the capital city of Romania, which is the largest academic hub, most study programmes organised by public universities are in the Centre region.

Table 2. Evolution of the number of study programmes in Business Administration field grouped by NUTS 2 in Romania between 2014 and 2023

Region	Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bucharest-Ilfov	23	22	22	22	20	20	21	20	19	16
Centre	24	23	22	20	20	20	20	19	19	19
North-East	9	9	9	9	9	8	8	8	8	8
North-West	18	18	18	16	16	16	16	15	15	15
South	7	7	7	8	8	8	8	8	8	8
South-East	12	12	11	10	10	10	10	12	12	12
South-West Oltenia	8	7	7	7	4	4	4	4	4	3
West	13	11	10	9	8	9	9	9	8	7
Total	114	109	106	101	95	95	96	95	93	88

Source: Authors' own research based on (ARACIS, 2020) and (Eurostat, 2024).

Taking into consideration the graduation rate estimated based on the formula mentioned in the Methodology section and given that the duration of a study programme is 3 years the following trend has been observed in Figure 2:

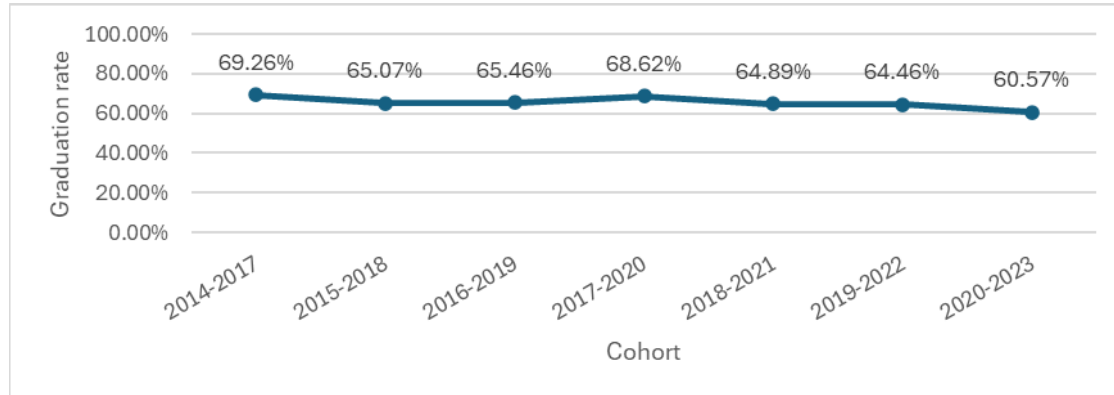


Figure 2. Graduation rate in Business Administration field between 2017 and 2023

Source: Authors' own research based on data provided by CNSPIS.

Therefore, according to the estimations the highest graduation rate is associated with the 2014-2017 cohort while the lowest graduation rate is recorded in the 2020-2023 cohort.

Considering the cohort with the highest graduation rate by NUTS 2, from Figure 3 we can observe that in 2014 the regions with the greatest number of admitted students were Bucharest-Ilfov, followed by North-West and Centre regions. Drawing a comparison with the educational offer available in Table 2, although most of the organised study programmes are in the Centre region, Bucharest-Ilfov and North-West have more students admitted. Therefore, as a higher education institution is not enough to provide diversity, you also need to ensure opportunities during and after finishing the academic journey.

Number of Admitted Students - Year 2014

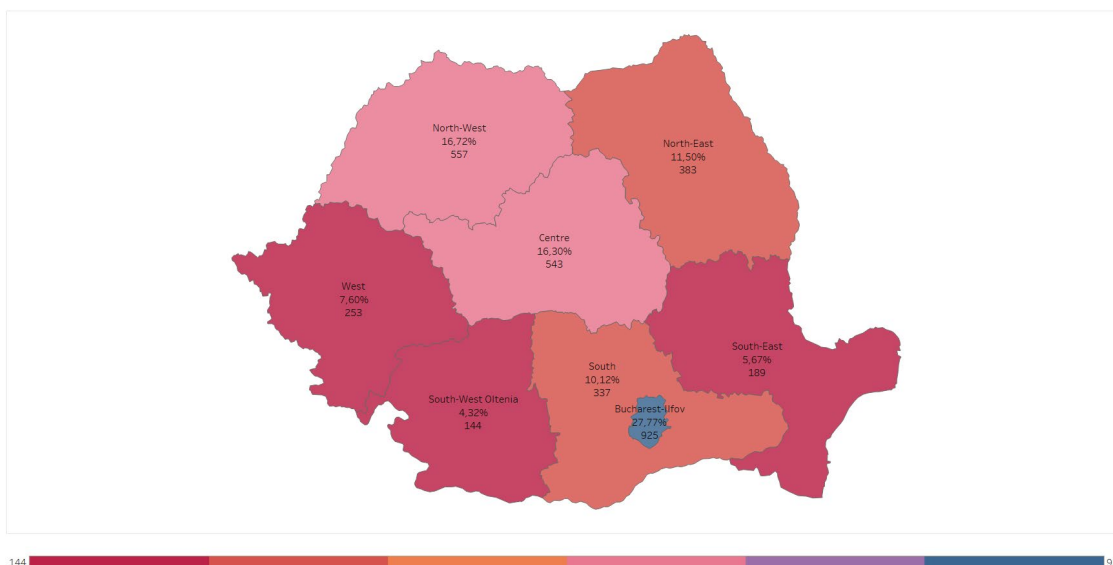


Figure 3. Number of Admitted Students in Business Administration field grouped by NUTS 2 in Romania – Year 2014

Source: Authors' own research based on data provided by CNSPIS and (Eurostat, 2024).

3 years later, in 2017, the graduation year of this cohort, it is also obvious from Figure 4 that the same regions with the highest number of admitted students are also the ones that deliver most graduates.

Number of Graduates - Year 2017

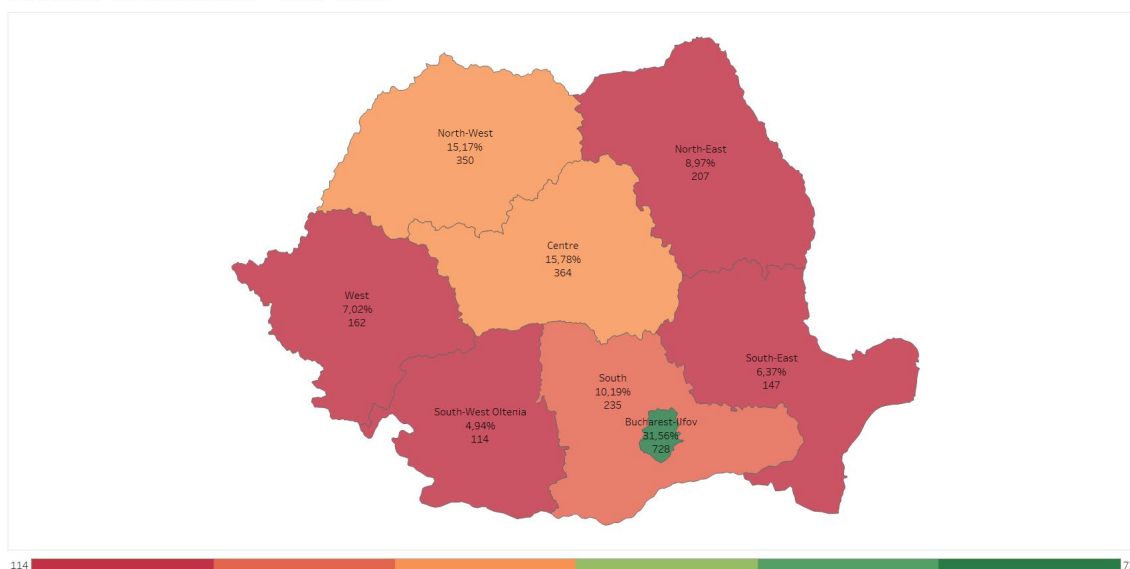


Figure 4. Number of Graduates in Business Administration field grouped by NUTS 2 in Romania – Year 2017

Source: Authors' own research based on data provided by CNSPIS and (Eurostat, 2024).

On the other hand, looking at the cohort with the lowest graduation rate that is also presented in Figure 5 we notice that in 2020, there are substantial discrepancies regarding the number of admitted students. For example, Bucharest-Ilfov region records 1.161 admitted students in 2020 while region South-West Oltenia has only 61 admitted students.

Furthermore, even if the Centre region provides several study programmes in Business Administration field, the North-West region is much more popular.

Number of Admitted Students - Year 2020

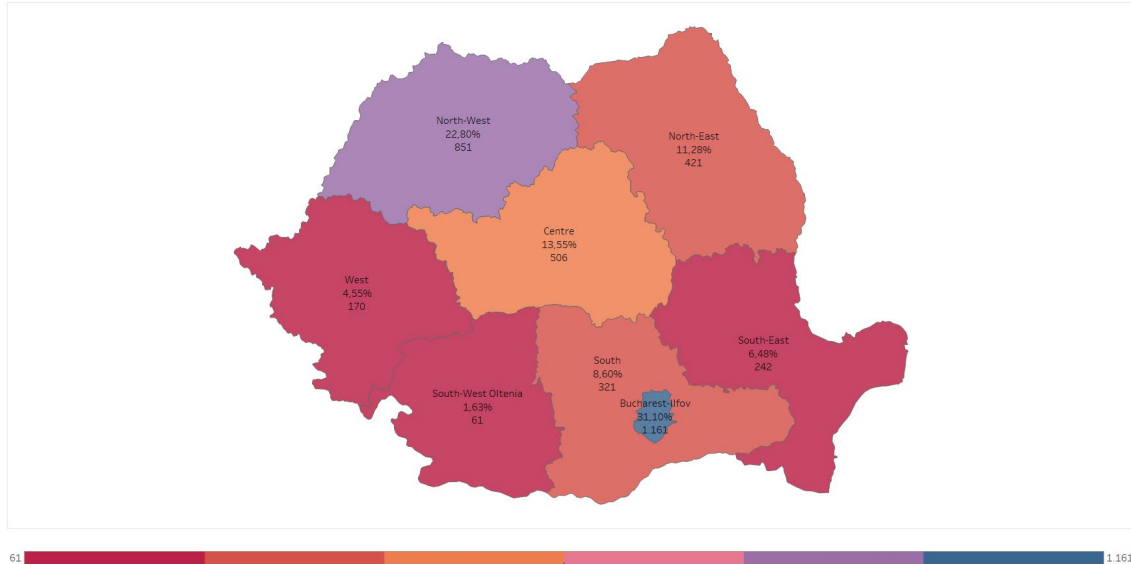


Figure 5. Number of Admitted Students in Business Administration field grouped by NUTS 2 in Romania – Year 2020

Source: Authors' own research based on data provided by CNSPIS and (Eurostat, 2024).

Even though the number of admitted students in 2020, presented in Figure 5, was much higher than in 2014 that are shown in Figure 3, we would have expected a much higher completion rate, but it seems that the number of graduates in this field is slightly decreasing as can be seen from Figure 6 which could be also explained by the employment prospect that this field provides after.

Number of Graduates - Year 2023

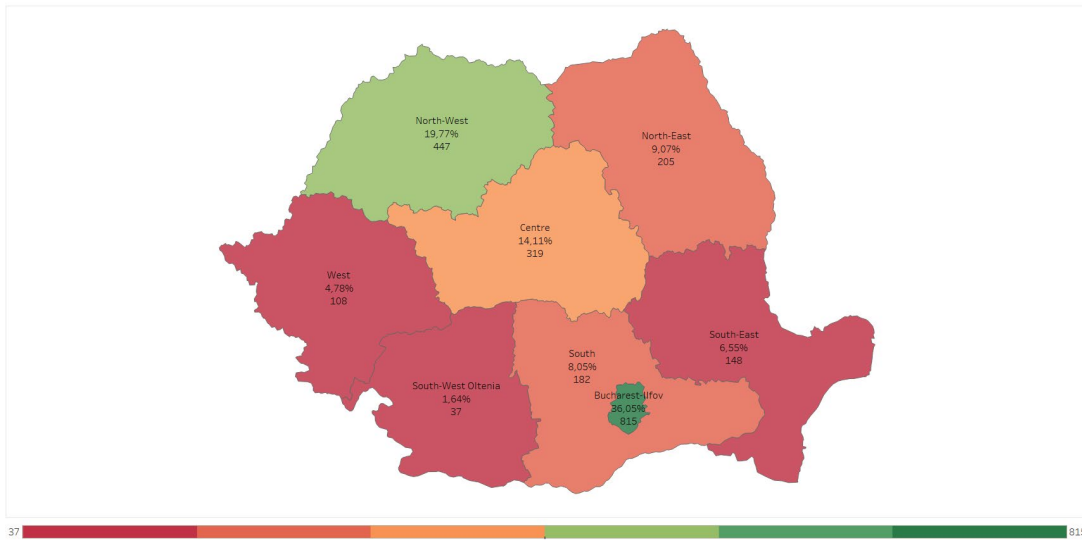


Figure 6. Number of Graduates in Business Administration field grouped by NUTS 2 in Romania – Year 2023

Source: Authors' own research based on data provided by CNSPIS and (Eurostat, 2024).

As for the second research question, which revolved around the students' employability once they have successfully completed the study programme, taking a first look at Figure 7 that illustrates the employability of the graduates from public universities by selecting the data available on the platform angajabilitate.uefiscdi (UEFISCDI, 2022) we note that there are some discrepancies between the data previously described and the existing data in this platform. As a baseline, the data reported in the academic year 2016-2017 found below (for example) is matched with the data already mentioned above for the year 2017.

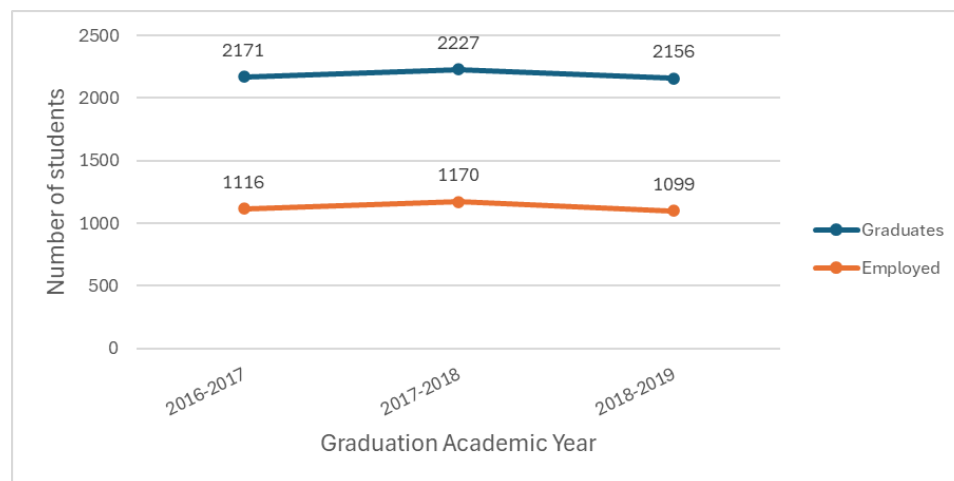


Figure 7. Evolution of the number of graduates and hired students in Business Administration field between 2017 and 2019

Source: Authors' own research based on data provided by (UEFISCDI, 2022).

As can be assessed from Figure 7, the academic year 2017-2018 registered the highest number of alumni and the greatest number employees during the graduation year in comparison to

the other two generations. The differences are not substantial, but we can conclude based on the very limited data that in the year of completion of bachelor's degree at least 50% of the graduates are already employed. Furthermore, these statements are also supported by the data available on platform angajabilitate.uefiscdi.

Although the graduates manage to be absorbed in the labour market, most of the time the jobs available do not reflect the competencies acquired during the study program.

For instance, the top 5 most popular professions among the 2017-2018 graduates are counsellor/expert, customer service analyst, sales agent, commercial worker and data entry and validation operator (UEFISCDI, 2022). Therefore, the decline in interest for the Business Administration field could be justified by the fact that once graduation is over, there is no assurance that a career in strategic management will be attached to the diploma.

The findings show a decrease in the number of organised programmes by state universities as well as in enrolment and graduation rates in Business Administration field, which is a source of concern over trends in participation and completion of undergraduate studies. Furthermore, most graduate students are not employed in the field related to the degree awarded, which suggests that university curricula should be better aligned with labour market demands.

In this case, to revive interest of the future generations for Business Administration field, it is necessary to establish partnerships with the private sector, reforms to align the curricula with the demands of the labour market and opportunities to develop students' skills.

Conclusion

The present study delivers a broad overview of tertiary education trends in the undergraduate Business Administration degree programmes organised by the Romanian state universities and the impact that leadership has in shaping the performance of students. Regardless of whether we are talking about the changes in the number of programmes held, the completion rate or how well the labour market is able to integrate graduates of these programmes, the findings of this paper will provide a baseline for future research that will also aim towards understanding the implications of policy and institutional strategies designed to improve Business Administration studies in Romania.

However, the limitations of the paper arise from the fact that in terms of the number of admitted students and graduates in the Business Administration field we do not know what exactly happened to those students who did not graduate. The students who did not graduate might have dropped out, transferred to another field or were expelled.

Moreover, we do not know how many graduates from one year are those who started the study programme 3 years ago or are students who have re-enrolled to finish their studies or are transferred students from other majors.

Another constraint is also the impossibility to link the data on the employability of graduates as the actual system does not follow in detail the transition from student to graduate and it does not track what happens afterwards, if the competences acquired during the degree programme allowed the graduates to get a job in a domain connected to the field of study. The lack of this mechanism could significantly impact in the future the perception of potential students and even the number study programmes organised in this field.

Considering the limitations outlined, the development of a system that would allow universities to follow in detail the academic progress of their students would facilitate a better and more effective intervention in time. A first initiative in this direction is the platform created by UEFISCDI and UVT on graduate employability, but it is essential for universities to also monitor

the reasons a part of the students decide to abandon their chosen academic path and why those who complete their studies are still not integrated into the labour market.

The problem of the decrease in the number of enrolled students should be also analysed from the perspective of both current students and graduates of these study programmes to see exactly what adjustments need to be made so that the curricula are more engaging and tailored to their needs and the demands of the labour market.

Future research will also consider comparing the Business Administration field with other existing fields that have 3-year bachelor's degree programmes to examine the preferences of current generations, how these choices allowed them to be integrated into the workforce, as well as whether the positions they hold reflect the acquired competences during the study program.

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