

## Chapter 65

# The Importance of Managerial Education and Training for Country Performance

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### ABSTRACT

*This chapter is the result of a study conducted by the authors aiming to study the impact that business education and training have on the increase of managerial competence, important to obtaining and maintaining the corporate advantage of the companies acting in Romania and consequently to country performance. The scope of the research is global, searching for the best practices that can be transferred from other countries to Romania and adapted to the local environment. A multitude of managerial education and training methods and programs are studied – EMBA, MBA, open and customized training programs. A literature review created a good understanding of the topic, being the starting point of the quantitative and qualitative research. The chapter will be useful for business schools and training companies, for participants in managerial education and training programs, and for governmental bodies, and should contribute to the increase of educational performance and convergence with European developments.*

### INTRODUCTION

Technology made the world a much smaller place. Due to internet, one can travel around the globe instantly, and so can businesses. Globalization imposes convergent competence of managers that work in different parts of the world, in multinational companies, and also in the national ones that compete or cooperate with them. Competitive companies are aware that managers' good quality knowledge and capabilities are mandatory for success in the global economy. Having vision, knowing how to develop, implement, and change strategy, how to lead and engage people become even more important during

DOI: 10.4018/978-1-5225-3153-1.ch065

crisis, in times of challenge and turbulence. Responsible and ambitious managers understand the need to develop their competence continuously, attending education and training programs. Meanwhile, the pressure of time is high. That is why they become more and more demanding. They expect to gain competence that can be immediately applied, leading to increasing both the competitive advantage of companies, and reputation in the business community.

Competent managers contribute, through the decision they make, to their companies' performance, and hence to economic growth and poverty reduction. So, one can say that the quality of managerial education and training contributes to country performance.

The chapter will present the results of the authors' academic research on the importance that good quality managerial education and training have for the corporate advantage of companies acting in Romania. The scope of the research has been global in order to find the best practices that can be transferred from other countries to Romania, and adapted to the local environment. A multitude of managerial education and training methods and programs were studied – EMBA programs, MBA programs, open and customized training programs. Literature review created a good understanding of the topic, very important for the research. Surveys, interviews, quantitative and qualitative research have been used.

## **LATEST TRENDS IN MEETING MANAGERS' NEEDS IN EDUCATION AND TRAINING**

According to The World Bank, country performance is related to economic growth, and to poverty reduction. The prosperous future of a country is largely influenced by the degree of employability and productivity level of each employee. Over the years, many experts (Stigler, 1962; Phelps, 1970; Mortensen, 1986; Pissarides, 2000) have studied the real discrepancies between employees' skills and job requirements and they believed that investing in training and education is essential. An European Union Report proves that a 1% increase in the number of staff training days can lead to an increase in labor productivity by 3% (ILO, 2011). The authors believe that good decisions taken by competent managers impact economic growth. Managers are competent when they possess knowledge, abilities, and attitude that fit their job.

Managers are made, not born, so education and training are important for increasing managerial competence and hence company performance. The more competitive companies exist in a country, the macro indicators will look better. Economy will grow, and poverty will be reduced. So, the quality of managerial education and training benefits country performance. Both employers and employees are aware that human capital can create mutual gains, favoring positive effects in terms of performance (Thomson, 2011).

Education is different from training. Education is a far transfer of knowledge and principles that build a new mindset that can be used in any organization, in a certain job context, while training is a near transfer of skills, in the context of a certain job and a certain company, highly and immediately applicable, but difficult to be used in a different context.

The authors studied managerial education and training programs, mainly focusing on interactive, in class programs: MBAs and Executive MBAs programs, open subscription and customized short focused training courses. They also had in view the trends brought in the industry by the new technology –online, and social media training experience. In their research, the authors used the conclusions of a compara-

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