



Managerial and Economic Aspects in the Educational System

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Received: December 15, 2024
Revised: May 6, 2025
Accepted: May 8, 2025
Published: June 2, 2025

Keywords:

Management;
Education;
Economics;
Human resource;
Educational management



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Abstract: *"The leader's task is to be more and more efficient" (P. Druker) "Management renounces its traditional master - profit; it commits itself to the service of value (moral, humanitarian, social, cultural, etc.)." (P. Drucker)*

Education is the main component in the formation of an individual, from a personal point of view, but also professionally, through the development of knowledge, skills and abilities, which are essential for the economic growth of a country.

This paper aims to highlight the economic and managerial aspects present in the educational system of Romania. Management practices, resource management and how the management concept is implemented in the educational system will be analyzed.

Management represents the set of general and specific activities through the efficient use of all resources (human, informational, financial and material resources) to obtain the maximum level of results. In educational management, emphasis is placed on human resources and informational resources. The teacher must be a good manager to manage all situations and to achieve the objectives.

Educational management represents a process that includes the 5 managerial functions (Foresight, Organization, Coordination, Command (Decision, Training-Learning), Managerial control (Evaluation-Control)), to achieve the objectives. Without the element of educational management, the educational system could not function within normal parameters.

This research uses the documentary method to analyze the economic and management aspects of the educational system. The method allows a systematic examination of existing sources, helping to outline a relevant theoretical framework and highlight trends and challenges specific to this sector.

1. INTRODUCTION

Education is the main component in the formation of an individual, from a personal point of view, but also professionally, through the development of knowledge, skills and abilities, which are essential for the economic growth of a country (Rădulescu & Tîrcă, 2002).

The management represents the set of general and specific activities through the efficient use of all resources (human, informational, financial, and material) to get the maximum level of results. In educational management, the accent is on human resources and informational resources, (Stanciu et al., 2003). The teacher must be a good manager who realises all the situation and achieves the educational goals.

Educational management represents a process that includes the 5 managerial functions (Foresight, Organization, Coordination, Command (Decision, Training-Learning), and Managerial control (Evaluation-Control)), to achieve the objectives. Without the element of educational management, the educational system could not function within normal parameters.

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This paper aims to highlight the economic and managerial aspects present in the educational system and, thus, are analysed the management policies, resource management and how the concept of management is implemented in the educational system.

This research uses the documentary method, to analyze the economic and management aspects in the educational system. The method allows a systematic examination of existing sources, helping to outline a relevant theoretical framework and highlight trends and challenges specific to this sector. In the educational system, all these qualitative research methods contribute to a better understanding of the subject and the success of the research. To ensure the validity of the data, we employed the method of theoretical triangulation, interpreting the data through multiple theoretical frameworks.

2. RESEARCH METHODOLOGY

This article is based on documentary research, to analyze the literature and official documents relevant to the approached topic. Various sources were consulted, including national legislation (such as the Law on Pre-University Education no. 198/2023), reports of public institutions (Ministry of Education, National Institute of Statistics), as well as academic works. The sources were selected according to their relevance and timeliness, aiming to ensure a balance between institutional perspectives and critical or analytical ones.

The article aims to provide an argumentative foundation based on credible sources, contributing to the understanding of the phenomenon investigated. The interpretations presented reflect an analytical approach, being open to reinterpretation depending on the evolution of the data or the social and educational context.

3. THE ECONOMY AND THE MANAGERIAL PRACTICES IN THE EDUCATIONAL SYSTEM

The economy plays a significant role in the field of education; therefore, an insufficient budget affects not only the quality of infrastructure but also the teaching process. On the other hand, an adequate budget provides access to modern resources for students and helps attract qualified teaching staff—factors that are essential for effectively preparing students for the labour market (Ioana et al., 2013). The economic impact in the educational field can be seen in the gross domestic product allocated in the educational system, and in the unemployment rate. Figure 1 represents the insufficient budgetary allocation in the educational system and its consequences.

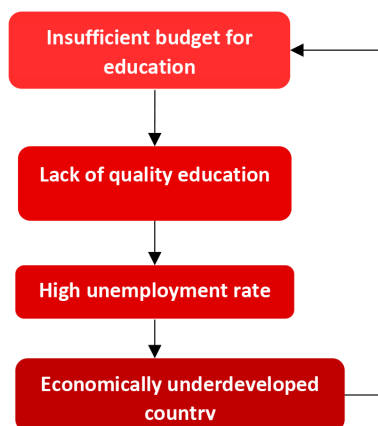


Figure 1. Insufficient budget allocation in the education system and its consequences

Source: Own research

The economic impact in the educational field has long-term effects on the country. The lack of an adequate budget for the education system (lack of infrastructure, lack of specialized teaching staff, etc.) leads to the lack of quality of education, even the lack of the educational act itself, all of which contribute to the high unemployment rate and, thus, eventually reaching a poorly developed country from an economic point of view. If the country is economically poorly developed, again, it has a direct impact on the education system (Ioana et al., 2019). The economic impact on the educational system is controlled through educational management because it represents the process of coordination of resources (human, financial, material, and informational).

Management in the educational system is similar to management in other fields, thus the 5 managerial functions are applied: Foresight, Organization, Coordination, Command (Decision, Training-learning), and Managerial Control (Evaluation-Control). The functions of management (Foresight, Organization, Coordination, Command (Decision, Training-learning), Managerial Control (Evaluation-Control)) reflect the dual character of the managerial process, both as a science and as an art. The foresight and organization functions require theoretical knowledge of management, and those of training, coordination, and control evaluation require practical experience. The management functions are general, being specific to any management action, regardless of the profile and size of the organization. The most essential functions in the management process are the foresight and control functions because they provide information about the stages and states of the work processes in organizations (Ioana et al., 2011).

Management in the educational system can be both centralized and decentralized and it is useful to define them. In centralized management, it is understood that the decisions and the operations of the entire organization are made by the management at the highest level. Decentralized management refers to the delegation of authority and responsibility to the lower hierarchical levels of an organization, thus there is autonomy for decision-making, leading to increased efficiency. Decentralized management in the educational system means greater autonomy and, therefore decision-making at the level of educational institution, which leads to efficiency, innovation, and better communication in the educational field. Decentralized management in the educational system means greater autonomy and, therefore decision-making at the level of educational institution, which leads to efficiency, innovation, and better communication in the educational field, (Anghel, 2020).

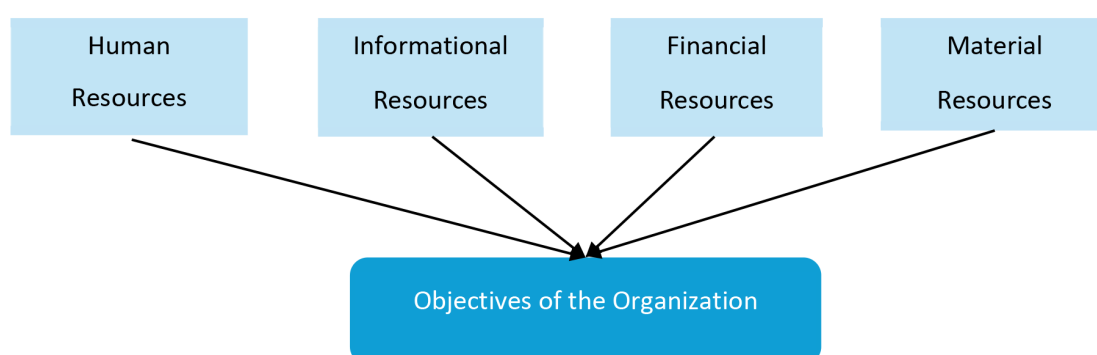


Figure 2. Definition of management

Source: Own research

The implementation of the concept of management in the educational system includes both the efficient management of resources and the application of the 5 managerial functions to achieve educational objectives. Management is the process of coordinating human, informational, financial, and material resources, to achieve the organization's objectives. Figure 2 shows this definition of management, (Ioana et al., 2011)

In the educational system, the management of resources (human, informational, financial and material) contributes to the quality of the educational act. The lack of any mentioned resource affects the quality of the educational act. The human resource is the most important, but the combination of all resources: human, informational, financial and material contributes to the achievement of the objectives, (Ioana et al., 2021). Financial resources also play an important role, as they have a direct impact on infrastructure, school facilities, teachers' salaries, etc., (National Institute of Statistics, n.d.).

4. RESULTS AND DISCUSSIONS. ANALYSIS OF THE EDUCATIONAL SYSTEM IN ROMANIA

The budget allocated to education has effects on infrastructure, teacher training, and educational performance, but also has a long-term effect on the economy. Figure 3 shows the total budget for financing education in Romania as a percentage of the gross domestic product (GDP) over the last 10 years (Statista, 2023).

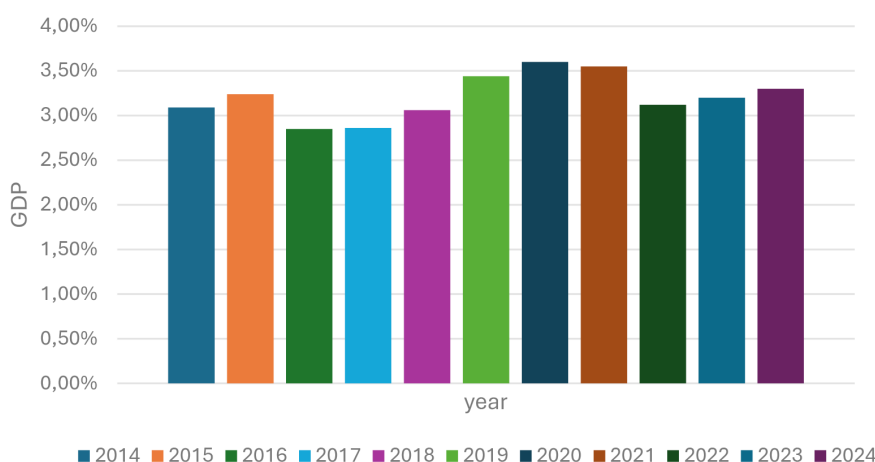


Figure 3. Total budget for financing education in Romania as a share of gross domestic product from 2014-2024

Source: Own processing

It can be seen that the maximum budget allocated in Romania from the gross domestic product was in 2020, with 3.60% of the GDP being allocated, therefore an insufficient budget for quality education.

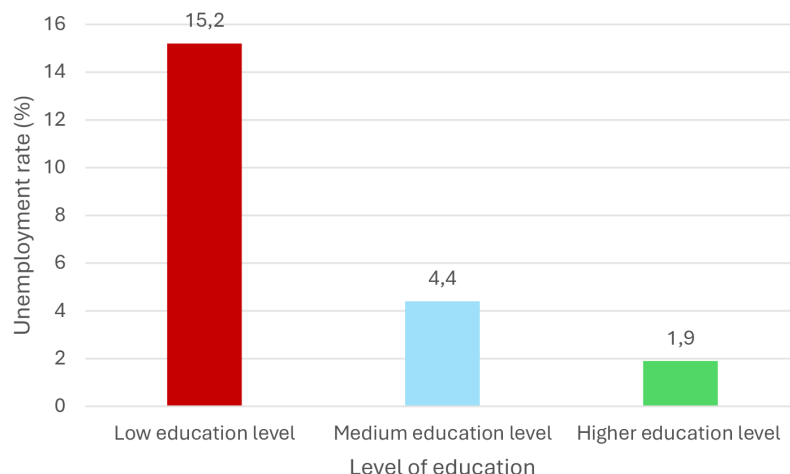


Figure 4. Unemployment rate depending on the level of education in the year 2024

Source: Own processing

The unemployment rate will also be further analyzed. Figure 4 shows the youth unemployment rate for the year 2024, depending on the level of education, according to the National Statistical Institute (National Institute of Statistics, 2025).

According to the quoted source, unemployment affected graduates with a low and medium level of education to a greater extent, for whom the unemployment rate was 15.2% and 4.4%, respectively. The unemployment rate was only 1.9% for people with higher education. From this figure, it can be seen that the unemployment rate is lower among people with a higher level of education (university studies).

Currently, according to the Ministry of Education, there is centralized management in educational institutions in Romania. From the documents issued and publicly displayed, it can be seen that the Romanian Ministry of Education has a major influence on important decisions on the school curriculum, resource allocation, structure, and functioning of schools (Ministry of Education, n.d., 2023). In the educational system in Romania, from the official documents issued by the Ministry of National Education, it was identified a series of major challenges in terms of educational management at the level of the institution and economic aspects. The main problems identified are: Centralized management, bureaucracy, lack of funding, lack of qualified personnel, and lack of motivation of teachers. Figure 5 shows these aspects.

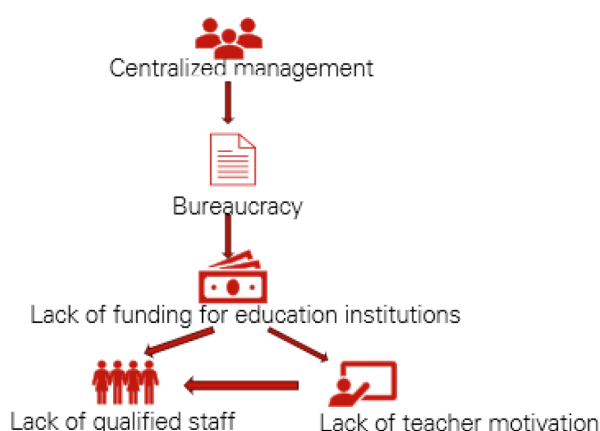


Figure 5. The main problems of the educational system in Romania

Source: Own research

As can be seen in the figure above, the main problem of the educational system in Romania is the centralized management, which leads both to the lack of autonomy of the school units, but also to the bureaucracy, from here reaching the lack of funding, which leads to the lack of motivated and qualified educational staff. All the problems identified lead to the quality of education. Thus, there is a close link between the lack of human and financial resources and the results of educational institutions.

5. FUTURE RESEARCH DIRECTIONS

Future research directions on managerial and economic aspects should be directed towards:

- The effectiveness of centralized versus decentralized management in the educational system, because this analysis would allow the identification of the advantages and disadvantages of the management system, thus studying the impact of decisions on the performance of the school unit.

- By comparing the education management system in the world, but also by comparing the budget allocated from the Gross Domestic Product for the education system, this study will help to identify the key factors of a successful education system.
- Transparency, efficiency and responsibility for the allocation of financial resources in the education system, with the help of programs for monitoring and evaluating education expenditures, but also the impact that budgetary transparency has on the education system.

All this future research will contribute to the development of education systems, solving current challenges and creating an educational future adapted to the demands of the labor market.

6. CONCLUSION

Measures must be taken, at least in the educational system in Romania, in terms of the educational system and the labor market, so that the educational system is compatible with the labor market. For example, in some communities, public-private partnerships can be achieved, so that current students and future employees are prepared for the labor market. But for this, it is necessary to change the educational curriculum. Currently, this happens only at high schools with a technological profile and in the universities of Romania.

From the results, it can be seen that the unemployment rate is low in the case of people with higher education. It is necessary to adopt a series of measures to prevent school abandonment, such as financial support for students from disadvantaged backgrounds, attracting students through access to schools, state-of-the-art technology, etc.

In the Romanian education system, exists major bureaucratic barriers in the decision-making process, the literature indicates that there is a discrepancy between the reality of education policy implementation and the need for decentralized management. Decentralized management can provide the possibility for institutions to contribute to performance improvement and at the same time to make institutions more efficient. Decentralized management contributes to adaptability, accountability, and innovation in the education system. It can be implemented through pilot programs involving at least 10% of educational institutions.

The budget allocated for education contributes to the development of a country, so for sustainable development, a bigger budget should be allocated to education and institutions should have internship programs, encouraging learning by doing.

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