

# »SACRED HALLS VS PUBLIC MALLS?« THE PARADOX OF UNIVERSITY CULTURE IN A COMPETITIVE AGE

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This study examines the success factors of the Budapest University of Economics and Business (BGE/BUÉB), focusing on its organisational cultural development. We attempt to explore how organisational culture can improve the level of market-oriented behaviour and support success in higher education. Efforts before 2020 to capture the University's culture (Heidrich et al, 2022) laid the foundation for the ViVa (**V**ision and **V**alues) Project, a unique initiative in Hungarian higher education aimed at cultural development. Between 2020 and 2024 ViVa involved all 800 full-time staff, with special roles for a dedicated organising team and 40 so-called 'culture ambassadors' i.e. non-managerial staff chosen by colleagues. Serving as an ambassador was regarded as a position of trust, with direct influence on ViVa's processes and outcomes at a university with a history of merging three, previously independent colleges in 2000. This paper reveals links between organisational strategy, culture and values tied to market-oriented behaviour. The authors argue that market-oriented culture is integral to how effectively a model-changing university can adapt within its competitive market space.

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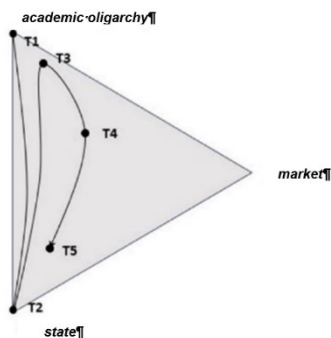
## 1 Introduction

At the end of the twentieth century, universities adopted expressions from the increasingly dominant economic and business sectors (e.g. ‘key performance indicator’, ‘quality assurance’, ‘return on investment’ etc.), which many researchers viewed as the definitive collapse of the classic concept of ‘*the*’ university (Scott, 1984), (Reeves, 1988), (Halsey, 1992). Gradually, these processes eroded the foundations of the university’s self-image rooted in the 19th century. Our study focuses on one of the most significant aspects of this change: the market orientation of higher education (particularly universities) and the internal cultural transformations that may influence its deepening.

The phenomena of the past two decades or more (such as the diversification of higher education structures, the Bologna Process, the chancellor system, some institutional restructuring, etc.) have clearly led Hungarian universities to respond to the increasingly diverse demands of a more heterogeneous cohorts of students (Hrubos, 1998), (Polónyi-Kozma, 2020). Until 2000, Hungary had been characterised by a large number of educational institutions and a relatively low rate of participation in higher education compared to the European average. However, following the launch of the Bologna Process, an unprecedented number of students were admitted, and the perspective that views higher education as a market service came to dominate even in Hungary (Lengyel, 2021). Our study – along with the academic-teaching profiles of its authors – pays particular attention to the business and economics disciplines, which are so closely aligned with this perspective.

### 1.1 The theoretical background of the topic in focus

One of the starting points of our thinking is Clark’s model (Clark, 1983), which assumes a three-actor structure: according to his findings, higher education can be interpreted within the ‘state-market-academic oligarchy’ triangle, where the relationship between these three segments defines the operational modes of a given higher education system. Hungarian higher education has undergone changes that have led nearly every higher education institution to place greater emphasis on market orientation today. This idea can be linked to Day’s (1994) general observation, which states that the atmosphere of market instability and increasing competition leads to a more intense market orientation in many organisations.



T1 = pre-communist era, T2 = soviet era, T3 = Humboldtian restauration,  
T4 = transition period, T5 = back to the future?

**Figure 1: The Development of Hungarian Higher Education Interpreted in Clark's Triangle**

Source: Kováts-Heidrich-Chandler, 2017

The trend analysis of the changes experienced by Hungarian higher education over the past three and a half decades (i.e. since the systemic change in 1990), along with the analytical review of higher education literature, has been receiving increasing attention (Polónyi-Kozma, 2020). From the literature review, it can be concluded that higher education – due to its strong social embedding – can and should be examined in conjunction with external factors (e.g., labour market, social mobility, economic efficiency, cultural values, etc.). As a result of all these factors, higher education expansion, institutional and training structures, as well as institutional management itself, have been shaped and developed (Temesi, 2016). The question that this study also seeks to answer is: how a changing organisational culture and subcultures of higher education institutions can support the much-needed market orientation?

By the early 2000s, clear signs of the ‘entrepreneurial university’ model emerged (Hrubos, 2004). Therefore, due to exogenous factors, the bureaucratic higher education system of the socialist era could transform into a system with economic and academic autonomy after the systemic change of 1990. Successive left-wing and conservative governments shared the stance that the university association model was being moved towards the corporate model. Looking outward, the corporate university model began to dominate the academic world in much of the developed

world, which is a form of this association-corporate model (Hrubos, 2017). Business and corporate terms, indicators, and correlations started to appear increasingly in higher education. This is confirmed by Freeman's (1992) assertion that twelve of the twenty chapters of the ISO9001 standard could be directly transferred to the higher education sector. Regarding the international environment of higher education, the European University Association (EUA), which was established in 2001 and functions as the European Rectors' Conference, previously held an unquestionable principle that higher education is a public good. However, this has shifted towards a market-oriented thinking that has been present to some extent in higher education for decades (Hrubos, 2017), (Kovats et al., 2017).

This paper puts its foundations on the Cameron-Quinn (1999) organisation model in which market orientation is introduced. Market orientation can vary to some extent from organisation to organisation: ranging from those that are truly market-oriented to those that are not market-oriented at all, there are all sorts of organisations (Kasper, 2005). In the same context, market orientation is defined as: 'the degree to which an organisation's ideas and actions are guided by the market behaviour of the organisation itself and its consumers (whether internal or external)' (Kasper, 2005 p. 6). Although market orientation is not the only factor through which a competitive advantage can be gained, according to Day (1994), information about market trends can also be obtained through the following: creating an environment that enables open information flow; analysing the actions of competitors; understanding the opinions of employees on the front line; uncovering latent needs; actively monitoring the market and supporting continuous experimentation. In order to gain adequate information on its presence in the academic scenario, researches focused on factors to be developed from the MARKOR scale, namely Student Orientation, Competition Orientation and Cooperation Orientation. (Heidrich et al., 2022)

## **1.2 Introducing Budapest University of Economics and Business**

The higher education institution featured in this case study is a player in the Hungarian business education market, and it has perhaps never before been in a situation where market orientation has come to the forefront so strongly. The strength of the Budapest University of Economics and Business (BGE in Hungarian) lies in being one of the most practice-oriented business universities on

the Hungarian market, with a dominant market share. At the strategic level, the institution's leadership has already accomplished the first steps, including enhancing the practice-oriented nature of education, strengthening corporate collaborations and projects, and increasing corporate scholarships for students, which had not previously existed.

The Budapest University of Economics and Business (BGE/BUEB) is Hungary's leading institution for business education, training more than 18,000 students in the field of economics, including programmes in tourism and hospitality, international business, commerce and marketing, finance and accounting, management and business, business informatics, and human resources. Its three faculties operate in Budapest: the Faculty of Commerce, Catering and Tourism (KVIK), the Faculty of International Business (KKK), and the Faculty of Finance and Accounting (PSZK). Since 2000, the three faculties have been operating under one institutional umbrella; however, due to their different traditions, profiles, and the fact that they are located on three separate campuses, they have effectively functioned as three independent organisations, each maintaining its own distinct identity. The BGE/BUEB employs approximately 800 full-time colleagues in teaching, research, or other professional-administrative roles.

In addition to the aforementioned characteristics, the situation was further complicated by the fact that, as a higher education institution, the organisational structure of BGE/BUEB is divided into academic (or directly academic-related) and non-academic (support) areas. Moreover, at the time of launching this project, a dual power structure (rector and chancellor) was in place. Due to the existence of this dual power base and concerns over the autonomy of the faculties, there was a long-standing lack of executive leadership to promote a unified identity for BGE/BUEB.

## **2 Change of culture: the ViVa project 2020-2024**

The development of culture was initiated by the university's rector, with preliminary discussions forecasting a three-year process. The primary objective of the project was to strengthen the BGE/BUEB identity and enhance collaboration between the faculties, as well as to establish the primacy of the university's identity over that of the individual faculties. The latter was particularly important because further centralisation and organisational restructuring were expected in the distant future.

The rector of the university asked Human Telex Consulting (HTC)<sup>1</sup> to provide professional direction for the project. Both parties were committed from the start to ensuring that as many elements of the project as possible would be realised using the university's own resources. A joint project steering committee was established, consisting of three consultants from HTC and three colleagues from BGE/BUEB, each active in different areas (referred to as the ViVa Organising Team). The committee's first step was to 'name the child' and it decided to call the culture development process ViVa, which was formed by combining the words 'vision' and 'values'.

ViVa is a multi-step, long-term initiative aimed at establishing a new, collaboratively developed and accepted set of values with everyone's active contribution. These values, along with their associated norms, guide the university's strategy, support daily collaboration, and positively shape the community by fostering an understandable, liveable, lovable, and strong organisational culture.

The ViVa initiative, which can be considered unique in Hungarian higher education, was based on inclusion: all full-time colleagues at BGE/BUEB (nearly 800 people) were involved, with the ViVa organising team and the current 35 ambassadors elected by colleagues playing a central role. It was a great honour and trust to be a culture ambassador, as they had a direct impact on the ViVa processes and the shaping of the university's culture. Developing an organisational culture of this nature is typically a multi-year process, with its results becoming truly evident in the long term. Below, we will analyse what had happened by 2024, what steps had been taken, and the outcomes of the project.

## **The ViVa Process Overview: year by year**

### **Year 2020**

The events of 2020 can be summarised as a period of 'postponement.' This delay was due to two main factors: the general disruption caused by the Covid-19 pandemic and tensions within the university's senior management (stemming from

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<sup>1</sup> On HTC: . <https://htconsulting.hu/en/>

the dual leadership structure). The postponement initially preserved hopes for in-person, large-group programmes to take place.

## **Year 2021**

To support cultural development internally, a group of ‘culture ambassadors’ was established. Uniquely for the university, their selection was based on departmental (organisational unit) voting, and to encourage broad participation, managerial staff were excluded from candidacy. This democratic process not only enhanced the ambassadors’ legitimacy but also ensured that diverse perspectives were represented. However, practically, around 75% coverage was achieved as many organisational units initially struggled to understand this novel initiative within the higher education context. By 2021, it became evident that the planned large-group, in-person events could not proceed. Both the consultants and the university had to adapt to the idea of delivering the programme through online events. Following the creation of the university’s vision (mission and strategy), it was necessary to agree on the values underpinning this vision. Thus, we focused on defining these values and any associated norms. This iterative process unfolded in the following steps:

1. Proposal of values (initiated by senior management, involving 10+ people).
2. Joint interpretation and validation by ambassadors (40+ people).
3. Large-group interpretation and validation through voting (600+ participants).
4. Finalisation by a panel of senior managers and ambassadors (10 people).

The same process was repeated for the development of behavioural expectations and norms associated with the values. This process took four months. The outcomes were continuously communicated through BGE/BUEBS’s various communication channels, embedding the ViVa values and norms into the university’s narrative. It was also clarified exactly what the organisation means by the given value (i.e., what it supports and what it does not support as a norm).



**Figure 2: The chosen and accepted five values**

Source: own

In the second semester, the large-scale programmes continued with initiatives tailored specifically to individual organisational units. These workshops were entirely facilitated by the ambassadorial team, whose preparation was carried out by the external consultant, HTC. The aim of these sessions was to address the question, “*Alright, we’ve got values and norms displayed on the wall, but what do they actually mean to us?*” The focus was on how to interpret the vision, values, and norms of BGE/BUEB at the organisational unit level and what actions each unit could take to strengthen BGE/BUEB as an institution. Additionally, the workshops explored how these norms could manifest in everyday work—how they could be implemented during an average workday. Units (i.e. departments) were invited to agree on initiatives aimed at improving team atmosphere and efficiency. Many units successfully did so, while several proposals were also submitted for leadership approval regarding actions that would impact the university as a whole.

One of the notable aspects of any project aimed at influencing soft factors is that disruptive elements inevitably emerge. The most significant of these were not the ones like ‘my internet/camera/microphone isn’t working’ or ‘our Zoom licence supports 100 participants, but 140 are trying to join’ or ‘what’s the point of all this?’ or varying abilities to interpret the content or ‘I’m a university professor, why should this matter to me?’ or the blurred line between ‘not mandatory but strongly recommended participation’ or the trade union’s unique interpretation of its role but the one that was the announcement of the university’s transition to a new operational model during the process.



**Table 1: Norms to support and not to support**

	COLLABORATION	EXPERTISE	COMMITMENT	DEVELOPMENT	TRUST
WE SUPPORT	each other	prudent, high-quality and accurate work	active actions to implement the objectives of the BGE/BUEB	continuous learning from our colleagues, students and the outside world	respectful and open communication
	listening to each other	exchange of professional ideas and sharing knowledge among ourselves	representation of organisational values in everyday life	sharing the best of our knowledge and experience	transparent operation
	team work, in which everybody participates according to their abilities and actively	working out, considering and implementing new ideas	the 'I work well even if they do not see me' approach	experimenting, attempting, learning from failures	acting according to the 'I do as I say' principle
	honest and positive feedbacks and constructive criticism	professional renewal, regular professional self-education	representation of BGE/BUEB identity	openness to change, development of adaptability	empowering, making decisions at the right levels
	efficient sharing of information in every direction	absorbed expert work	proactivity	continuous development of processes	good intentions, supporting expertise
	WE DO NOT SUPPORT	each other's humiliation	sloppy and superficial work	the 'who cares?' approach	lack of flexibility
negative labelling		the 'it's good enough, just tick it off' approach	speaking ill of the BGE/BUEB	pigeon-holing	distorting the truth
finding scapegoats, pointing fingers at each other		application and representation of outdated professional knowledge	stopping at the first difficulty	laziness	hiding and covering up errors
favouritism, violating the principle of equal treatment		the 'free rider' approach, when people do not take their shares of common work	violation of accepted norms and values	treating colleagues as unequal partners	prejudices

Source: own

This change fundamentally shook and disrupted the community's perception, daily routines, and, in some cases, even their sense of security. The previous state-maintained structure and its associated civil servant status were replaced by a foundation-led model governed by the Hungarian Labour Code, with a notable shift toward 'business thinking' ('market-orientation') within the university. This change and the accompanying uncertainty made it more difficult for staff to genuinely believe in the importance of culture. However, there's always a silver lining - the ViVa project provided a kind of anchor or a stepping stone for the shared future. It also served as the sole platform where colleagues could connect across campuses during an otherwise extremely isolating COVID-affected period. Meanwhile, in the continually transforming organisation, the ambassadorial team had to be repeatedly restructured.

## **Year 2022**

As a student-centred organisation, our original intention was to focus on the student experience, potentially involving BGE/BUEB's 18,000 students in the process in some way. However, the organisational reality required us to focus on more fundamental aspects due to general organisational inertia and the particularly taxing wave of organisational changes. This also necessitated a thorough rethinking of the planned steps. The revised concept was approved by the university's senior management at the beginning of 2022.

The primary focus was placed on the top-priority value: *COLLABORATION* - to be interpreted both within organisational units and between them. Meanwhile, the ViVa initiative began establishing its own cultural traditions: large-scale (60–120 participants) "community-wide" spring events, which took a lighter and more engaging approach, cutting across organisational units to introduce key themes. These were then made more tangible through autumn workshops held within individual units.

The general perceptions showed several things:

- 1) Since culture development was essentially a soft process, from the beginning, we aimed to produce as many tangible and perceptible results for the participants as possible. In addition to their own actions, the teams also made numerous requests

to the management which the management responded to slowly, but in bundles. For example, organised leadership training started under the coordination of HR.

2) As a new element, a one-day culture development programme for the entire senior and middle management of BGE/BUEB was also announced, focusing on the collaboration between leaders and their role in promoting cooperation within their teams. A total of 59 leaders gave an average score of 9.56 (on a 10-point scale) in a satisfaction sheet, showing that the management team was beginning to appreciate the process.

3) In May and June, it was finally made possible to work with large groups in person during the so-called Culture Days (8 sessions, with 610 participants, which means about 76% of BGE/BUEB's staff). The focus was on sharing experiences of existing collaboration excellence (using our own appreciative inquiry method), and we also provided our own collaboration experiences (in an environment where this was not at all obvious). By this time, more than half of the university population was already aligned with the ViVa process, and despite a relatively small minority (6-8%) showing strong resistance, the biggest achievement was turning around the initially hesitant or even sceptical third of the staff. A small but culturally shaping element was the introduction of informal addressing one another, which was not common at the university.

4) In the second half of the year, the gradually 'battle-hardened' ambassador team invited organisational units to local workshops once again. A completely new element was that the individual units gave their leaders a mandate to negotiate with two other leaders from different units to discuss and develop cooperation between them. The participants left the workshops enriched with direct feedback, which is common in the training profession but not typical in university life.

5) The ViVa's 'citizenship' was demonstrated by the fact that in 2022, the university's performance evaluation system introduced the ViVa work, i.e., the work done to develop the university culture, as a separate category, even though it was recognized to a small extent.

## Year 2023

During the spring semester, the entire BGE/BUEB staff community participated in half-day workshops centred around the value of *DEVELOPMENT*. These sessions aimed to align the organisation on the importance of personal and professional development. The ViVa organisational culture development project gained national recognition. It received the prestigious *Imre Lövey Award* (named after the respected organisation developer, thinker, writer)<sup>2</sup> to for the best organisation development project of the year. The award was presented by the Hungarian Society for Organisation Development. This milestone highlighted BGE/BUEB's commitment to cultivating a forward-thinking workplace culture. In the autumn, over 50 workshops were organised across various units within the organisation. These small-group training sessions were facilitated by ambassadors to explore the value of growth. The initiative ensured that all employees had the opportunity to engage and contribute. The workshops promoted dialogue and shared understanding around growth-focused values. The programme's structured approach fostered collaboration and alignment across teams. By involving all units, the effort reinforced the importance of shared organisational values.

## Year 2024

During the spring semester, the first ViVa event conducted in English was launched to include the non-Hungarian-speaking staff. This marked a significant step in fostering inclusivity and a shared sense of belonging. Half-day workshops were again conducted for the entire BGE staff, this time focusing on the value of *EXPERTISE*. Separate programmes were tailored to meet the specific needs of academic and support staff. The workshops encouraged the exchange of best practices and expertise across teams. This season's initiatives emphasized BGE/BUEB's dedication to quality and professional growth.

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<sup>2</sup> <https://szmt-hu40.webnode.hu/lovey-imre-dij/>

### 3 Conclusion

What could be learned during the different phases reinforced the idea that such a project cannot be communicated enough. One of ViVa's great merits is that we communicated continuously about both the process and the results, initially in newsletters and later on the intranet. ViVa values became embedded in the university's narrative. Internal interviews about the ViVa process were also conducted with the initiating leader, the Rector, along with university milestones. Another great achievement was that since 2022, the ViVa process has been included in the university's onboarding process, and we have been trying to continuously involve new colleagues in ViVa.

ViVa as one might have expected served other goals beyond its original purpose. Having started in the crisis period of Covid times, this project remained the sole platform for all the colleagues to communicate and belong to the community. Furthermore, when it had turned into real presence events, people of the three distant campuses of the university began to know each other after working together formally for decades. The exposed values also became part of the individual performance evaluation system of the university.

At the same time, it must be admitted that – although organisational change was almost continuous – there is room for improvement e.g. in the field of communication by using channels more precisely and predictably; finding more creative solutions to engage the community more; highlighting more intensely the credibility of the ambassadors; and finally handling resistance well. Since results were constantly measured through surveys, it is evident that ViVa became an integral part of the university's normal organisational functioning and practically became the most comprehensive interdisciplinary 'movement' connecting faculties and units beyond their boundaries.

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