

ANNALS of Faculty Engineering Hunedoara – International Journal of Engineering

Tome XIV [2016] – Fascicule 2 [May]

ISSN: 1584-2665 [print; online]

ISSN: 1584-2673 [CD-Rom; online]

a free-access multidisciplinary publication
of the Faculty of Engineering Hunedoara



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THE EXAMINATION OF RELEVANT COMPETENCIES IN THE LABOUR MARKET FROM THE POINT OF VIEW OF EMPLOYERS

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ABSTRACT: Recently we have presented the results of our research carried out on personal competencies as collaterals of success from the point of view of the students in Hungary. To examine the other side of the coin, our paper is now aimed to highlight what key business competencies (can) enhance the success of employees and their competitiveness in the labour market according to the employers and also what personality traits have a powerful impact on decision making mechanisms of taking on new staff from the side of the employers. An answer is also sought to the question of how the rank order of competencies have been changed, how their role was appreciated and re-evaluated and what skills and abilities are no longer or only to a slight extent necessary for success in the labour market vs. the ones that were not required previously but have become indispensable these days. One of our further objectives was to create and test a competency structure tailored to the current Hungarian labour market situation and specialities on the basis of the professional literature.

Keywords: competency, personality traits, human resources, labour market, employment

1. INTRODUCTION

The timeliness of our topic is proved by the fact that nowadays human resources play an indispensable part in the resource system of economic organisations as the efficiency of other resources depend on human resources that run enterprises. Competencies have become one of the key terms of human resource management as they help answer the question what factors are necessary for employers and companies to have excellent and competent employees (and thus, efficient organisations) who perform above the average.

However, there is no unified definition for competencies yet. We wish to make a reference here to Boyatzis [4] who thinks job competency is an underlying characteristic of a person that leads to or causes superior or effective performance. Spencer – Spencer (1993) defined competency in the following way: 'A competency is an underlying characteristic of an individual that is causally related to criterion referenced effective and/or superior performance in a job or situation'. A competency is a set of distinctive individual skills, related knowledge and attributes that allow an individual to successfully perform a task or an activity within a specific function or job [12].

In most organisations the basis of selecting new personnel is often superficial knowledge and ability while the newcomers are required to possess differentiating motivation and trait competencies although the opposite would be much more beneficial. [2].

In planning the production of small-scale farms the required competencies can also be calculated [10]. In more complex intellectual jobs the role of competencies is much more important in predicting a better future performance than intelligence or reference letters. What differentiates those performing better is motivation, interpersonal skills and abilities, which are termed as competencies [3].

Of course, knowledge and proficiency also count. According to the examination of Ferencz et al. [8], companies that employ graduates of higher education operate or effectively. Csehne and Hajós (2014) concluded that the better qualified employees can better fit at work [5].

Nowadays on the labour market changes rapidly take place. According to Emery [6] adaptability to changes and flexibility are key factors in the dynamically changing environment. In order to manage work and career it is essential to possess the suitable resources and career competencies [13]. Career competencies are such knowledge ability and skill elements that play a central function in career development and which can be influenced by the individual [1].

Today's workplaces expect employees to behave respectfully and support themselves. They also hope that employees identify with organisational values and objectives. Roizen – Jepson [11] pointed out that employees take on the individuals with initiative and good problem-solving skills who understand their organisations and the society and also actively take part in it.

Ferencz and Nótári [9] also concluded that courses giving professional qualifications must be stressed. Educational institutions should ...'develop close professional relationships with enterprises and companies, which partly serve as the practical criteria of the education, as well' (p. 89.). In their recent study the authors also emphasised the importance of managerial attitude in the agricultural training within the system of Hungarian higher education [7].

Based on the literature review we have supposed that it is not practical to talk about competencies in general, rather the adequate competency profile and portfolio has to be reviewed in a certain job or profession.

Due to the volume and content constraints as well as the high number of competencies in our primary research we have selected one of the segments of personal competencies and the eight key competencies defined by one of the EU committees in 2006. Our competency structure can be regarded of novel nature as such a mixture of competencies has never been examined in Hungary. We also wanted to elicit an answer to the question of what competency map the Hungarian employers have in mind.

2. MATERIAL AND METHODS

We have chosen interviews as a method of primary research and standardised questionnaires were designed as an instrument. While processing questionnaires, a factor analysis as one of the bi- and multivariate methods was applied together with cross tab and cluster analysis, T- and F- trial and also variance analysis and Chi-square trial were used to explore the correlations statistically. Before the quantitative phase of the research qualitative research was also conducted. A focus group examination was carried out on the basis of a semi structured interview guide where interviews took place in heterogeneous groups based on company size.

In the second phase while processing the quantitative data this pre-tested and finalised competency structure was analysed and their relations were explored by means of a factor analysis. When compiling the standardised questionnaire we strived to adjust questions to every level of measurement (nominal, ordinal, interval and ratio scale), which were open or closed questions.

Altogether 525 questionnaires were returned of which 519 could be assessed. During data processing we experienced that certain competencies independently from their factor number were part of the same group, which suggests that these skills are somehow related and also make up a single unit. Such an interrelation of competencies could also be anticipated although it was only in the quantitative phase that this correlation was statistically justified.

3. RESULTS

The socio-demographic characteristics of the sample

Most companies in the sample have been operating for 5-10 years and companies working for more than 20 years represented the smallest portion. On the basis of industries most respondents were engaged in commerce and marketing. Forty-one percent of the companies were headquartered in Budapest or Pest county and with respect to the number of employees they had fewer than 10 staff.

Based on ownership, Hungarian private companies made up the biggest portion as well as state-owned ones and those belonging to local governments. Companies in foreign hands had the smallest proportion (2%) and only one employer from the Church filled in the questionnaire.

One of the important objectives of the research was to examine the opinion of employers about the role that single competencies play in a successful career. The analysis was carried out on a 519-member sample. The results reflect that employers marked foreign language, good communication skills and IT skills are the most important.

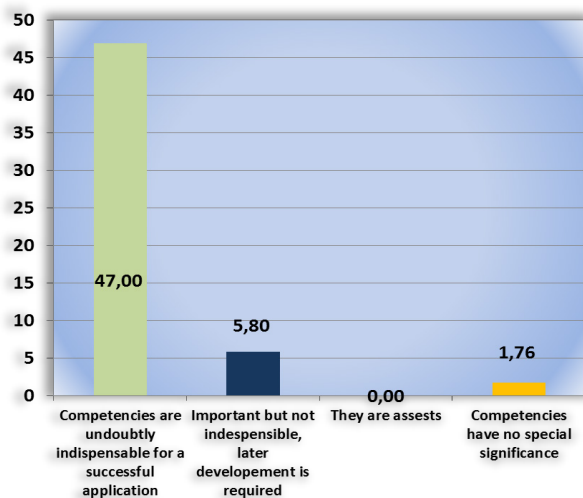
We were also interested to know how the significance of competencies has changed during the last 5 years. Responses are reflected by Table 1.

Table 1. Changes in the significance of competencies during the last 5 years (percentage)

Competency	Significance in the last 5 years		
	appreciated	no change	depreciated
communication in a foreign language	71	20	9
IT skills	69	28	3
endurance	58	26	16
problem solving	57	34	9
ability to learn	52	32	16
flexibility	51	40	9
self-improvement	51	37	11
persistency	50	45	5
communication skills	50	34	17
coping with stress	48	28	23
independence	45	46	9
organisational skills	45	38	17
cooperation	44	43	13
reliability	43	39	18
motivation	43	39	18
technical skills	43	39	18
persuasion	42	45	13
hard working	42	42	16
entrepreneurial skills	42	48	10
learning from mistakes	40	53	7
preciseness	38	46	15
accuracy	36	53	11
economic skills	36	50	14
discretion	34	53	13
EU basics	33	56	11
initiative	32	49	19
loyalty	30	50	20
sense of responsibility	30	47	23
taking risks	30	48	22
decision making	30	44	26
social awareness, empathy	23	42	35
self-discipline	22	51	27
patience	22	57	21

Source: authors' own research, N= 519

the future (Figure 2). The majority stated that the role of competencies relevant at work would be more appreciated in the future.



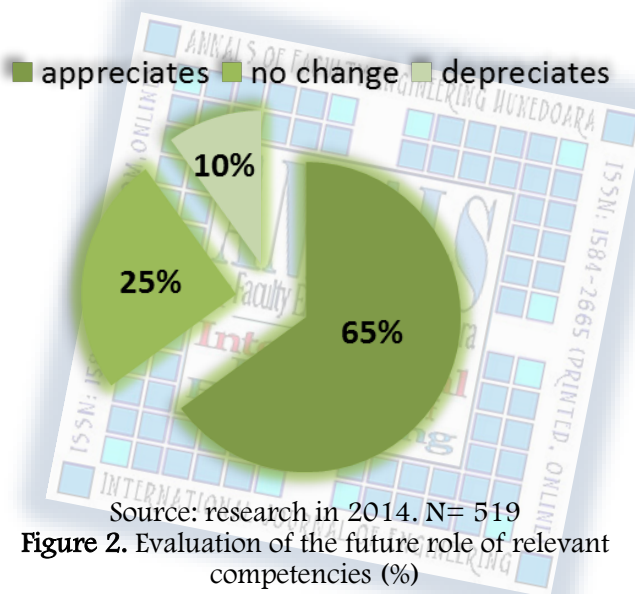
Source: authors' own research, N= 519
Figure 1. The importance of the examined competencies for a successful application

Not surprisingly, according to the members of the sample endurance, problem solving, flexibility, ability to learn and self-improvement are the personal competencies that have been most appreciated in addition to the classical communication in a foreign language and IT skills.

In our article published in this journal we have written about the results of our previous research with students. Based on the examination, the significance of communication, foreign language and IT skills was also pointed out with the employers.

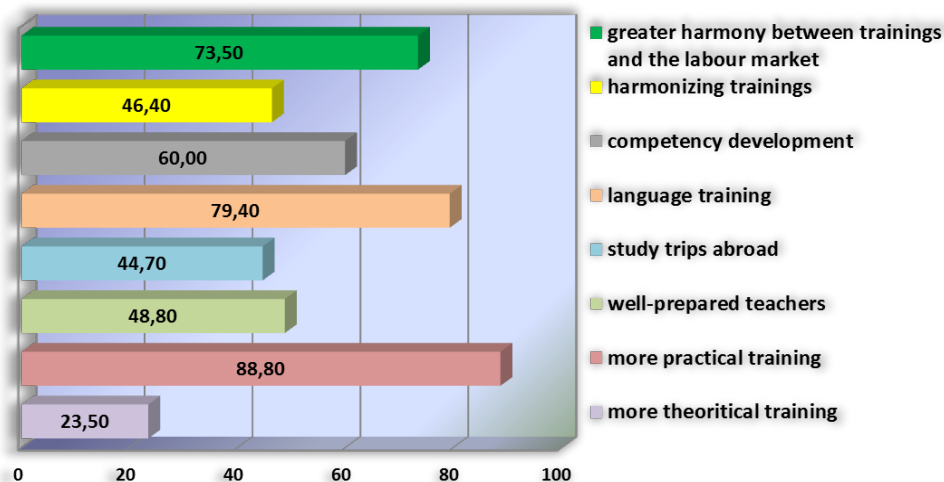
Employers stated that the skills and abilities inevitable to become a successful entrepreneur (flexibility, decision making, discretion, taking risks and endurance) should be more prioritised in higher education and should be developed predominantly. More than half of the respondents also mentioned the significance of learning from mistakes, discretion, self-discipline, persuasion and problem solving as the most important soft competencies.

We also analysed the experts' opinion about the role of competencies at work (Figure 1) and also if this role appreciates, does not change or depreciates in



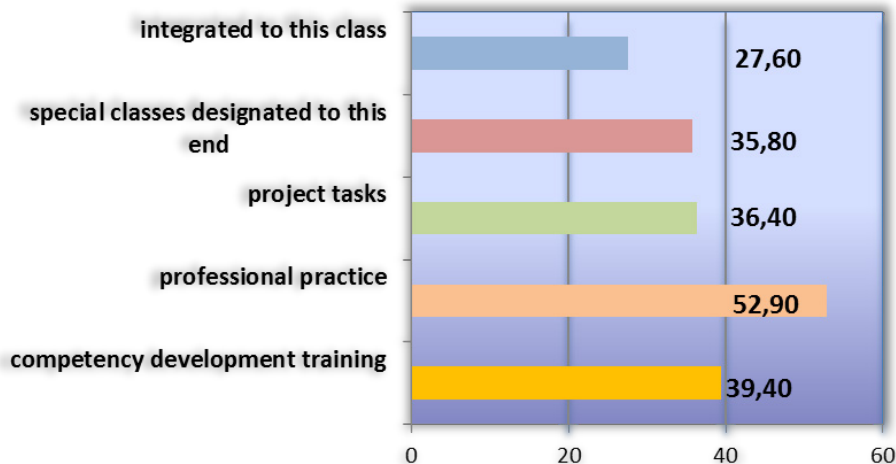
Source: research in 2014, N= 519
Figure 2. Evaluation of the future role of relevant competencies (%)

We had another important objective, i.e. to get to know which competencies employers think education should develop and what changes would be required. Practical training and language competencies should be developed the most. A greater harmony between labour market requirements and knowledge imparted should also be considered. Figure 3 and 4 presents the results.



Source: authors' research, N= 519

Figure 3. Changes suggested in education (in percentage, relative frequency, more than one answer)



Source: authors' research, N= 519

Figure 4. Evaluation of different forms of competency development (in percentage, relative frequency, more than one answer)

Employers say these changes require more practical trainings, competency development trainings and special classes.

4. CONCLUSIONS AND RECOMMENDATIONS

While assessing the questionnaires the importance of the so-called modern entrepreneurial competencies (ICT: communication, foreign language, IT) has been revealed, which is in perfect harmony with our results presented in Table 1.

As there is a need for developing the examined competencies from the side of both employers and employees, we would suggest developing these competencies more intensively either at schools or non-formal education. It must also be noted that updating the personal competencies and putting a proper stress on them are of vital importance in the content of the training, which could promote (better) harmonisation between the labour market and education.

A little gap between labour market requirement and competency development by higher education was present here, which can be utilised in rethinking competency development at schools and in higher education to show the shift in importance and also the skills that have to be stressed in developing to meet the demands of the labour market. By looking at the results we suggest that the respondents might not see the importance of self-improvement.

As a result of the examination we have proved the further appreciation of the examined and prioritised competencies in the future based on the opinion of the respondents. In addition, we have also concluded that it is necessary to improve the practical side of education and developing

professional and general skills and abilities. It is one of the points where the dialogue between the labour market and education could be improved.

As one of the main results the paper helps highlight what business competencies were regarded to be essential by the employers involved in the examination as they (can) enhance the competitiveness and success of employees. Among others, we were striving to find an answer how competencies have been re-evaluated nowadays and what are the skills and abilities that are no longer necessary for success in the labour market and also the ones that were not necessary before but now they have become indispensable. By creating and testing a unique competency structure we tried to draw attention to the reassessment and the importance of updating personal competencies.

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