THE IMPORTANCE OF GENERIC COMPETENCES ACQUIRED BY LITHUANIAN UNIVERSITY MASTER STUDY PROGRAMME GRADUATES IN CONSOLIDATING POSITION IN LABOR MARKET

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Abstract

It is emphasized in the article that only a decade ago in Lithuania employees' skills were first and foremost identified with their acquired qualification, hence the insignificant number of research conducted with an integral approach to competences, i.e. an individual's personal characteristics and acquired skills to perform in certain work settings. As competition increasingly influences organizations' activities, it falls onto managers to make more in depth assessments of the human factor. The article presents results of an opinion study of organization managers, conducted 2006-2007, on deciding factors of master study graduates' successful employment as well as the importance of generic competences acquired during master studies in consolidating a position in the labour market.

Key words: master studies, generic competences, capacity to consolidate position in the labour market.

Classification JEL: M 12 Personnel Management

Goal of the study: To explore the importance of generic competences acquired by master study graduates from Lithuanian universities in consolidating a position in the labour market and identify the deciding factors of this process.

Methodology of the study: In the second semester of year 2006 and first semester of 2007, the Institute of Labour and Social Research¹ conducted a survey of 505 managers from various Lithuanian organizations. The main goals of the survey were to identify the respondents' opinion on the content of general competences acquired by students of master study programs in Lithuanian universities as well as how those competences influence the graduates' careers. The study utilized the classification provided in the pilot project Tuning Educational Structures in Europe, where all general competences are assorted into three groups: *instrumental*, *interpersonal and systemic*².

At the time of the survey, respondents were asked to provide their opinion on the level of preparation of master study graduates to enter the labour market and the deciding factors as well as the importance of generic competences of master study graduates in getting employment in organizations that the respondents represent. In order to warrant reliability of results, general methodological principles of conducting sociological and statistical research were applied by firstly employing survey questionnaires for gathering information. The collected data was then processed using the Statistical Package for Social Sciences (SPSS) 10 for Windows.

1. Introduction

The concept of employee skills - mostly its broader meaning – as well as the importance of those skills to the career of an employee entered the discourse of a considerable number of

¹ The author of this article was among the experts of the project and authors of the report.

² Respondents were asked to provide their opinion according to 30 generic competences identified in the Tuning Educational Structures in Europe project (2003) [7].

renowned experts three decades ago (D. McClelland³, 1973; R.E. Boyatzis⁴, 1982; L. M. Spencer, S. M. Spencer, 1993, D. Dobois, 1993; S. Schoonover, 1998; P. Drucker, 2000, etc.).

Various international structures have become steadily interested in this issue over the past decade (i.e. the Council of the European Union 2001⁵, 2005, 2006, the European Commission, 2003), as well as representatives of public and private institutions of most developed nations (US, Great Britain, Australia, Ireland, etc).

As competition increasingly started influencing the activity of organizations, especially following Lithuania's accession to the EU, a considerable number of companies recognized the necessity of assessing the human factor, beginning with employee skills.

Even though organizations' attempts to turn to the human factor of activity calls for positive evaluations, it must be noted that a systemic approach to employee competences and cultivating them is yet to be discovered. While researchers and experts in the West, beside noting an individual's acquired qualification, pay due attention to the possibilities for an individual to manifest personal characteristics and acquired skills in a certain work setting, this concept is usually defined in Lithuania in terms of employees' qualification. It is known that employees' acquisition of a necessary level of qualification is basically grounded in learning and training procedures, which, unfortunately, poorly or do not at all cover the issue of an individual's personal characteristics or skills.

To this day, there is no unanimous stance in Lithuania over the basic principles of classifying workers' skills. Various authors [9,11,12,16] and consulting companies [1,10,14] suggest classifications grounded in different methodological foundations. Exploration of the issue of cultivating skills of master study graduates as well as their adequacy for the labour market's demands has been rather fragmented in Lithuania, hence the lack of systemic research on this problem and proposals for future actions.

2. Prevalent assumptions on master study graduates' consolidation in Lithuania's labour market

Results of the study illustrate that the quality of education received by master study graduates is assessed similarly in organizations of various sizes: 52.3 to 64.3 percent of respondents ascribe master study programs as corresponding to the nature of work in their organizations. In the opinion of the surveyed respondents, the most important motive for master study graduates when considering possible employment options is the *offered wage* (31.2 percent)⁸, as well as *career prospects* (30.2 percent). Also, the answers of respondents illustrate

⁴ US scientist R. E. Boyatzis (1982) was the first to begin more comprehensive studies of managerial skills, and noted the search to find a better way to predict successful performance in the work place, moving beyond measurements of intelligence, personality and knowledge is often regarded as the initial point [3].

⁵ Council of the European Union, 2001. The consideration of education for employment needs to run parallel with education for citizenship, the need to develop personally and to be able to take social responsibilities and, according to the Council's follow-up report to the Lisbon Convention, facilitating the access of all to education.

⁶ An analysis of projects being written illustrated that most of them are focused mainly on teaching second languages to employees or deepen the knowledge of language skills already possessed, liquidating computer illiteracy, teamwork and vocational training, however few of the projects being developed are devoted to cultivate social, personal, leadership skills of employees. http://esf.socmin.lt/index.php?-565411251 [20].

Sarkiunaite, Ciukiene come to a similar conclusion by stating that "Lithuanian authors associate competence with qualification" [4]. An assumption can be made that this point of view determined the fact that most organizations that were developing projects under the EU supported program Development of Labor Force Competence and Ability to Adapt to change" were most focused on improving employees' qualifications.

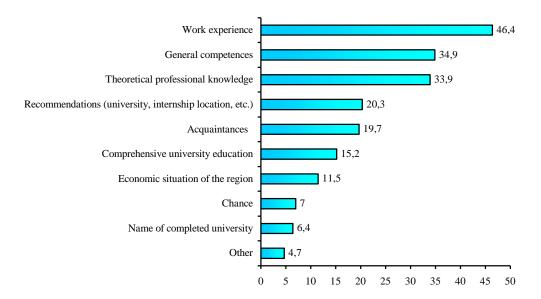
³ i.e., D. McClelland maintained that the relation between reflection and work competence is a linear construction of one and the same, is a fact [14].

⁸ Our research on employment motives confirms the importance of economical factors in the work setting.

their conviction that only one out of seven master study graduates are motivated by *future* learning prospects, guarantees of constant occupation and the prestige of organizations where they work or would like to be employed. On the other hand, results of surveys conducted in Lithuania illustrate a much higher will among university graduates to continue learning [19], therefore leave sufficient doubt that organization managers are well-informed on employment motives of master study graduates.

When discussing the deciding factors of employment possibilities in their organizations by university graduates (see picture 1), respondents give preference to work experience, generic competences acquired and theoretical professional knowledge⁹. The second group of deciding factors would include receiving recommendations from organizations or individuals or a personal acquaintance with the candidate. It should be noted that organization managers are least interested in the name of completed university, which, contrary to the practice commonplace in the West, shows that Lithuanian employers are little attached to any one certain higher education institution when choosing qualified experts.

The study illustrated that the size of an organization influences employers' priorities that determine the possibility for university graduates to get employed in their organization. While bigger organizations are more focused on factors that are related to work competences, smaller ones employ one in three individuals based on factors that are altogether irrelevant to their competences, i.e. based on acquaintance, recommendations of private persons and chance).



Graph 1: Factors that most influence employment possibilities of university graduates, (%) Source: own

As according to the data of the Statistics Department of Lithuania, micro (up to 10 employees) and small enterprises (up to 49 employees) make up 93.3 of all Lithuanian companies [18], master study graduates have to give serious consideration to the aforementioned fact when choosing a place of employment. The study also revealed that the situation is analogous in most organizations pertaining to the public sector, where the possibility of employing master study graduates due to acquaintances and chance is fourfold greater than in the private sector.

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⁹ Respondents were asked to mark all suitable options out of 10 provided answers.

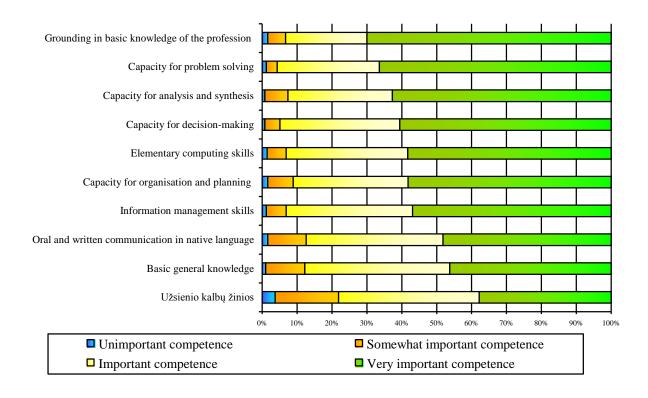
2. The importance of competences acquired by master study graduates for competing in the labour market - an idea for contemplation

2.1. Assessment of the importance of generic competences

From a list of generic competences ranked according to a four point valuation system, respondents marked eight competences out of 30 as very important (60 percent and over). The importance of all competences will be discussed bellow, with consideration of what one or other group they fall under.

The second picture illustrates the study's results on how the respondents rate the importance of *instrumental generic competences*¹⁰. Among the eight competences that were marked as very important and received the support of 60 percent or more respondents, four are instrumental:

- grounding in basic knowledge of the profession (70 percent) – that which illustrates what type of knowledge is necessary for employment in any particular domain;



Graph 2: Assessment of <u>Instrumental</u> generic competences according to importance, (%) Source: own

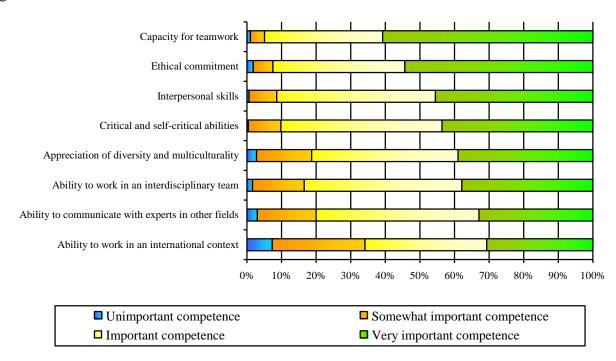
- capacity for problem solving (66.4 percent) – that, which constitutes one's capacity for identifying problem areas, analyzing them, gathering necessary information and proposing various ways of solving the problems as well as evaluating them and choosing the most appropriate solutions;

Those having an *instrumental function*. They include: *cognitive* abilities, capacity to understand and manipulate ideas and thoughts; *methodological* capacities to manipulate the environment (organizing time and strategies of learning, making decisions or solving problems); *technological* skills related to use of technological devices, computing and information management skills; *linguistic* skills such as oral and written communication or knowledge of a second language.

- capacity for analysis and synthesis (62.7 percent) that, which illustrates one's level of cognitive functioning, capacity to analyse, synthesize and interpret information, understand a phenomenon, make a critical evaluation of it and identify the main "turning-points";
- capacity for decision-making (60.6 percent) that, which outlines an individual's capacity for choosing appropriate problem solutions, not avoiding taking responsibility, the ability to resist environmental pressure and confidence in decisions made.

These competences place first, fourth, sixth and eight, in the general list of assessment of competences, accordingly. It can also be observed that at this point only one in three respondents maintain that knowledge of a second language is not a priority employment factor for master study graduates.

Picture 3, which illustrates the assessment rating of *interpersonal generic competences*¹¹, reveals that among the eight competences falling under this category, only one competence was rated as very important by at least 60 percent of the respondents, namely the *capacity for teamwork* (60.8), which illustrates one's capacity for cooperation, maintaining team spirit, striving for common goals and creating an atmosphere of trust and commitment to common goals.



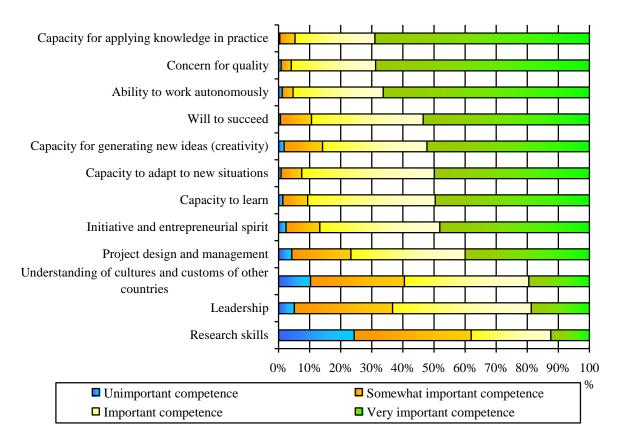
Graph 3: Assessment of <u>Interpersonal</u> generic competences according to importance, (%) Source: own

The study also revealed that important competences such as *interpersonal skills* (encompassing an individual's ability to solve conflicts, make an impression, provide constructive criticism as well as one's verbal and non-verbal communication skills) as well as *critical and self-critical abilities* (ability to evaluate knowledge, skills and personal characteristics of self and others critically but objectively) each placed 19th and 21st,

Individual abilities relating to the capacity to express one's own feelings, critical and self-critical abilities. Social skills relating to interpersonal skills or team-work or the expression of social or ethical commitment. These tend to favor processes of social interaction and of co-operation.

accordingly, in the general competence assessment list. One in three respondents find that *ability* to work in an international context (meaning that one is tolerant, has good communication skills, understands intercultural differences) as unimportant for work in their organizations. One in five respondents has an analogous opinion on the *ability to communicate with experts in other fields*¹².

Analysis of results of the survey of employers in the field of *systemic generic competences*¹³ illustrates a rather pronounced division among either the competences that received most or least attention (picture 4).



Graph 4: Assessment of <u>Systemic</u> generic competences according to importance, (%) Source: own

- Capacity for applying knowledge in practice (69 percent) that, which illustrates an individual's capacity for solving specific tasks of an academic nature.
- Concern for quality (68.8 percent) pursuing high standards of activity and behavioural standards, a drive for success and determination displayed.
- *Ability to work autonomously* (66.3 percent) is understood as an individual's ability to organize their time efficiently, prioritize, observe deadlines and commitments.

It should be noted that the *ability to work in an international context* and the *ability to communicate with experts in other* fields are attributed to unimportant competences in some other EU nations as well (see info on Tuning project), however the reasons for this these results might be different as these competences are seen as common sense in most developed EU nations, while in Lithuania they are simply deemed unimportant due to a lack of preparation to take part in the international market.

Those skills and abilities concerning *whole systems*. They suppose a combination of understanding, sensibility and knowledge that allows one to see how the parts of a whole relate and come together. These capacities include the ability to plan changes so as to make improvements in whole systems and to design new systems. Systemic competences require as a base the prior acquisition of instrumental and interpersonal competences.

These competences placed 2nd, 3rd and 4th in the list of competence assessment, accordingly.

Competences understanding of cultures and customs of other countries (19.5 percent), leadership (18.7 percent) and research skills (12.4 percent) were rated as least important. Unfortunately, this position of the respondents illustrates poor possibilities for master study graduates to participate in research developments, to become leaders (have the capacity to be in a position of influence, impart one's vision and goals to others, inspire others for achievement, gather a team and maintain its spirit, be confident, have good communication skills) and have unhindered interest in current and potential foreign partners. These competences placed 28-30th in the comprehensive competence assessment list.

2.2. The influence of an organization's form of ownership in assessing generic competences

A statistically significant difference was noted only among 13 generic competences in analyzing the assessment of competences according to the influence of an organization's form of ownership:

- a) capacity for analysis and synthesis (p = 0.006) was more often marked as very important by respondents representing the public sector rather than the private sector -71.1 percent and 57.2 percent, accordingly;
- b) basic general knowledge (p = 0.017) was seen as a very important competence by a slightly larger percent (49.5) of representatives of the public sector than those of the private sector (43.9 percent);
- c) grounding in basic knowledge of the profession (p = 0.016) is a competence valued by more representatives of the public sector (74.2 percent) than those of the private sector (67 percent);
- d) *oral and written communication in native language* (p=0,000) showed to be a more desirable competence in the public sector (60.9 percent)¹⁴, while only 38.7 percent of representatives of the private sector rated it as very important;
- e) elementary computing skills (p = 0.048) was rated as most important by a similar percentage of both the public (59.4 percent) and the private sector (58.2 percent);
- f) research skills (p = 0.000) were marked as very important by 16.9 percent of respondents representing the public sector and 9.1 percent of those of the public sector. It should, however, be noted that representatives of the public sector more often marked this competence as unimportant or somewhat important (17.9 percent and 33.3 percent, accordingly) than the aforementioned competences. Representatives of the private sector also gave priority to these statements in the assessment of this competence (29.4 percent and 41.2 percent, accordingly);
- g) interpersonal skills (p = 0.001) were found very important by 55.6 percent of respondents representing the public sector and 38.6 percent of those representing the private sector;
- h) *leadership* (p = 0.002) was deemed as more important in the private sector, with 23.7 percent of respondents representing it having marked it as very important compared with the 11.2 percent of respondents representing the public sector. Such responses might have been influenced by a rather different environment of the activity of employees, as due to a more strict regulation of work relations in the public sector, the issue of leadership is less significant (and can be undesirable in isolated cases);
- i) ability to work in an interdisciplinary team (p = 0.033) is more important in the public sector (44.9 percent) than in the private sector (32.2 percent);

¹⁴ This difference based on the sector respondents of the study represent could be explained by the fact that requirements for the public sector are determined by normative documents, as the Public Service Law indicates having good knowledge of the Lithuanian language among the general requirements.

- j) ability to communicate with experts in other fields (p = 0.048) showed to be somewhat more important to activity of organizations in the public (35.5 percent) than in the private sector (30.6 percent). The ability to communicate with experts in other fields is closely related to the ability to work in an interdisciplinary team, as confirmed by the responses of participants of the study, because both of these competences were more often marked as important for the type of work in their organizations by representatives of the public rather than the private sector. The consistency of responses allows stating that that this choice can be explained by the specifics of the public sector as organizations pertaining to it have to pay due attention to individuals in power (various national, international organizations, politicians and other public figures, social partners, etc.) when either developing new courses of activity, shaping policy or observing legislation and various other mediums;
- k) appreciation of diversity and multiculturality (p = 0.011) was more often seen as very important by representatives of the public (44.7 percent) than the private sector (33.9) percent in this survey. One possible reason for this type of assessment could be the specifics of the public sector, where cultural and other type of tolerance in relations with clients or partners of the organization is legally encouraged;
- 1) *initiative and entrepreneurial spirit* (p = 0.000) turned out to be one of the competences that is more valued in the private (56.8 percent) rather than in the public sector (34.7 percent), as the nature of the private sector is grounded on the idea of entrepreneurship and initiative and is more prone to competitive pressure in the internal and external environments of the organization;
- m) *ethical commitment* (p = 0.005) is more important for working in the public rather than the private sector (62.4 percent and 49 percent, accordingly). This difference could also be explained by the greater external influence on organizations of the public sector.

The analysis revealed that competences, the assessments of which differed statistically significantly, were more often seen as important by representatives of the public sector (11 out of the 13 analyzed competences), which can be explained by the unique position in the state held by these organizations and a more strict legal regulation of their activity. When grouping competences, it was noticed that the public sector, more so than the private one, is more oriented towards instrumental and interpersonal competences in its activities. Only two of the generic competences – *leadership* and *initiative and entrepreneurial spirit* were seen as more important by representatives of the private than the public sector. These two competences fall under the category of systemic generic competences. The insufficient attention displayed by private organizations towards the importance of generic competences illustrates that the quest for profit still predominates in their activity, while the organization's social function plays secondary role.

2.3. The influence of organizations' size in assessing generic competences

Differences of assessing the importance of generic competences were smaller as far as the influence of organizations' size is concerned. Statistically significant differences were found in assessments of only three competences - the capacity for generating new ideas (creativity), appreciation of diversity and multiculturality and project design and management:

- capacity for generating new ideas (creativity) (p = 0.013) was assessed as very important according to descending order by 59 percent of respondents representing micro and small enterprises and 36.1 percent of those representing large enterprises.
- project design and management (p = 0.005) was also seen as more important by respondents representing small enterprises (52.4 percent), and less important in the private sector (30.6 percent).

- appreciation of diversity and multiculturality (p = 0.044) was again assessed in the same order by representatives of smaller and large enterprises (42.2 percent and 23.9 percent, accordingly).

3. Conclusions

- 1. Essential generic competences for successful integration and endurance in Lithuania's labour market are considered as followed: grounding in basic knowledge of the profession, capacity for applying knowledge in practice, capacity for analysis and synthesis, capacity for organisation and planning, teamwork, problem solving, decision-making and the ability to work autonomously. Among the generic competences rated as having least importance were research skills, leadership, understanding of cultures and customs of other countries, the ability to work in an international context, the ability to communicate with experts in other fields, the ability to work in an interdisciplinary team as well as appreciation of diversity and multiculturality.
- 2. Instrumental generic competences are acknowledged as most important in Lithuania's labour market, while interpersonal generic competences were shown to be of least importance. Based on this finding, an assumption can be made that employers are still more focused on work instruments rather than the interaction of employees in the work process.
- 3. Private organizations still pay insufficient attention to generic competences, which illustrates that pursuit of profit still predominates in their activity, while the organization's social function is left with a secondary role.

As the degree of competition increases, organization managers must take more interest in competences of their employees, however to this day there is no unanimous stance in Lithuania over the basic principles of classifying employees' competences, hence the lack of a systemic approach to worker competences and their cultivation. Exploration of the issue of cultivating skills of master study graduates as well as their adequacy for the labor market's demands has been rather fragmented in Lithuania. The conducted study is considered a pilot one, therefore in the future, as studies of a similar nature are developed, a scientifically grounded system of the importance of general competences, encompassing assessment of various factors (nature of an organization's activity, its size, specialization of employees, level of management, etc.) can be developed.

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