

# Employers Expectations regarding University Graduates Competences. Case Study: The Bucharest University of Economic Studies Graduates

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## Abstract

For universities, the labor market represents a reference and, in the same time, an indicator of the quality, utility and necessity of the educational programs they are providing. It is the place where educational activity is validated both from the perspective of the life content of the programs offered to different categories of learners and the effort implied to successfully graduate the program, but also from the perspective of the conformation at the present and future economic reality. More than non-economic universities an economic one such as The Bucharest University of Economic Studies with the mission to provide higher and in-depth knowledge in the field of economic sciences and to develop competences required to economists and professionals for public administration functions will demonstrate its own value through the value of its graduates and through their contribution to the keep the economy in function and to develop it. For every graduate who is willing to have a career and searching for success, to find a job and to be able to keep it are essential.

The paper is analyzing how educational offer of The Bucharest University of Economic Studies, the most important economic university in Romania, is adapted to the employers' expectations and requirements. Employers' opinions regarding the university programs, students' knowledge, competences and work experiences are analyzed together with their recommendations for educational programs with higher impact on students'/graduates' employability.

**Keywords:** graduates, readiness to work, employers' expectations, labor market, employability

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## 1. Introduction

The contemporary labor market is more dynamic than ever, facing consequences of globalization, technology, and demographical changes that are pushing transformation and adjusting processes. In the last decade only, the labor market has faced major transformations being affected by financial global crisis, and massive digitalization and automatization. In this context, the education level of individuals is essential for their capacity to adapt to structural changes that occur in many occupations and industries.

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At European level, European Union member states and, in general, developed countries are focusing on developing and improving human capital of population through policies meant to encourage and sustain participation in long term. The essential role that universities are playing in developing the human capital make them one of the most important and relevant actors of the labor market. Actually, the most economic developed zones in Europe are the cities with universities that can provide highly qualified workers and specialists.

According with 2020 Europe Strategy among economic growth and social participation objectives are many indicators that are measuring educational outcomes: smart economic growth based on knowledge and creativity, sustainable development as result of a competitive, effective and environmental friendly economy, inclusive growth supported by policies that are promoting employment and increase in the level of employment and reducing regional social and territorial inequalities.

## **2. The need for university graduates on the labor market**

The indicator regarding the percentage of 30-34 years old persons with university degrees shows that in Romania in 2017 only 26.3% of the people including in this group of age had university education. That placed Romania among the European countries with the lowest rates of university graduates. We have to mention that in EU countries the average rate of university graduates is 40% and at least 40% is the target for Europe.

The need for increase in the level of education is the consequence of the estimated structural changes on labor market that will determine new competences or types of competences requested. Estimations for 2020 show that more than a third of the jobs in EU will request university education<sup>3</sup>. In the same time, it is expected to have more jobs for people with university education than for those with secondary or lower education. As consequences, university education is desirable in respect with job opportunities. People with university education will probably have more chances to find a job and to earn more income.

Data published by Romanian National Statistical Institute show a critical situation. In the first term of the year 2019, the employment rate among 15-64 years old people was 64.2%, decreased with 0.3% in comparison with previous term and far from the national target (70%). The employment rate among 15-24 years old people was significant lower - 23.0%.

Among other factors, the level of education has important impact on employment. Data presented below (Table 1. Employment rate and the level of education. 2017) show the employment rate at different levels of education in Romania in comparison with EU. We can see that the level of education is an important variable that positively correlated with the employment rate. The employment rate increases as the level of education increases, especially for people

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<sup>3</sup> Vezi <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52011DC0567>

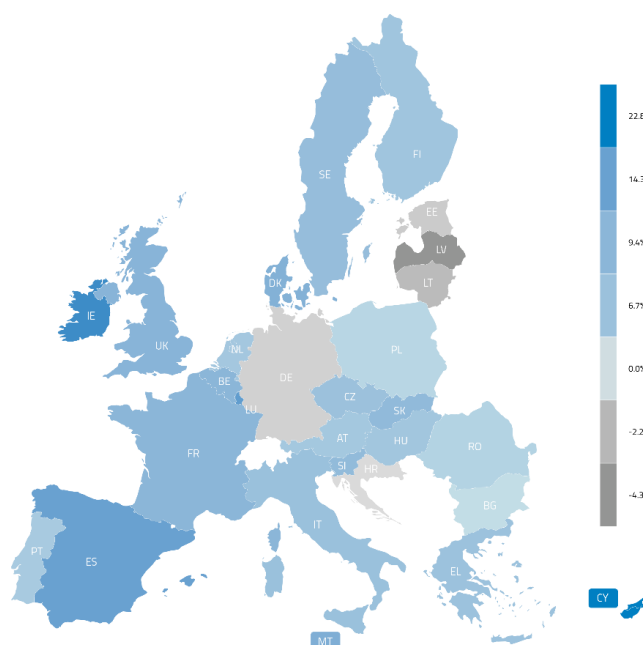
with university education. In Romania, 9 out of 10 persons with a university degree are employed.

**Table 1. Employment rate and the level of education. 2017**

Level of education	Middle school	High school	University
UE28	54.9%	72.6%	84%
Romania	54.7%	68.7%	87.9%

Source: Eurostat [lfsq\_ergaed]

According to the map below<sup>4</sup>, Skills Panorama<sup>5</sup> expects in 2016-2030 an increase of demand for labor force of 6.8%. Among countries with the highest increase are mentioned Cyprus and Ireland (more than 20%). Among countries with the lowest increase are mentioned Baltic countries (Estonia, Latvia and Lithuania). Actually, in their cases, there is a decrease in the labor force. Romania is included among countries with 2.8% increase of demand on the labor force.



**Figure 1. The increase of demand on the labor market (%) in UE (2016-2030)**

Source: Skills Panorama

<sup>4</sup> Sursa: <https://skillspanorama.cedefop.europa.eu/en/skills-themes/future-jobs#>

<sup>5</sup> Sursa: <https://skillspanorama.cedefop.europa.eu/en/about-us>

### 3. Employers and university graduates' competences

Employers are requesting to university graduates competences not only domain-specific knowledge produced and delivered by universities but also so called soft skills or competences. Many research on employers came to conclusions that, in employers' opinion, university graduates do not have adequate developed soft skills that are directly related with their employability (Suartha et al., 2017). Skills such as critical thinking, problem solving, ability to analyze and synthesize information, creativity and innovation, cooperation and team work, communication, together with capacity to learn are extremely relevant not for finding a first job only, but also for professional development of employed persons.

In a systematic literature review that synthesizes researches on transversal competences expected by employers (Suartha et al., 2017) are mentioned:

- *Communication competences* – verbal and written effective communication - that can make a strong difference at job interviews;

- *Decision making and problem solving skills* – which represent basically the capacity to identify and implement the most effective solution among a set of alternatives. In order to do this, it is necessary for individuals to be aware that there is a problem, identify its causes and alternative solutions, and chose and implement the most effective one accordingly with their goals and objectives;

- *The capacity to work in teams* – which is depending in great measure on the capacity of each member of a group to collaborate and help achieving common goals and, in addition, on their flexibility and adaptability to different working stiles. In the same time, this is depending on how individual roles are defined within the group and how individual members of the group can contribute to meet the tasks.

Researchers have identified an important need for professional competences and soft skills in the business service sector (BSS) or so called “outsourcing industry” in Romania (Foerster-Pastor and Golowko, 2018). It is also important that more and more companies are interested in developing sustainable business by using elements of corporate social responsibility and even implementing real codes in this field (Cristache et. al, 2019). Due to the fact that important parts of BSS is automatized, employers need employees capable to solve problems, inclusive unpredicted ones, to perform unstandardized tasks, with developed emotional intelligence and creativity. Foerster-Pastor and Golowko listed the main competences requested by employers. They summarizes these competences as hard competences or skills, soft skills, and personal attributes. Among hard competences there are speaking modern languages, ITC skills, data analysis, knowledge in the field of finance and/or accounting, and project management. Among soft skills there are problem solving, communication, team work, customer service orientation, and proactivity. Important personal attributes are flexibility, enthusiasm, positive attitudes, empathy, capacity to learn, ethical values and behavior. According with the research they have conducted, in BSS, languages and ITC skills are on the top of employers' rankings, followed by problem solving, communication, and positive attitude towards learning, flexibility and enthusiasm.

#### **4. Employers and The Bucharest University of Economic Studies graduates**

Nowadays, the Bucharest University of Economic Studies (ASE) is the largest economic university in Romania including 11 schools of economics and business with more than 22,000 students enrolled in 24 bachelor programs delivered in Romanian, English, French or German languages, 89 master programs, and 10 doctoral programs studying management, accounting, marketing, finance, cybernetics and economic informatics, public administration, etc.

2018 annual survey on graduates' insertion on labor market conducted in ASE (mainly class 2016-2017) shows that 83% of ASE 638 graduates are employed in the field of their specialization (46%) or in similar domains (29%). Among students enrolled in bachelor programs 52% of those employed declared that they succeeded to find a job when they were students and 22% in 6 months after the graduation.

Among 839 graduates of master programs who have participated in the survey, 92% are employed in the field of their specialization (54%) or in similar domains (30%). 49% of them declared that they succeeded to find a job in the 1<sup>st</sup> year of their master program and 31% in 6 months after the graduation<sup>6</sup>.

Data presented above show a high insertion rate of ASE graduates and short time spent to find a job. They also lead to the conclusion that the university main goal remains the quality of the educational services provided.

Our research aimed to identify employers' perceptions on ASE graduates, the way employers are evaluating the graduates' competences and qualities and their opinion regarding the ways to improve ASE educational services and to increase the level of graduates knowledge.

##### ***Problem statement***

The main hypothesis of the research was that in there is a direct relationship between competences ASE graduates and the employers' perceptions on ASE graduates employability.

##### ***Purpose of research***

Part of the research we have conducted among employers aimed to identify employers' perception on ASE students and graduates. In addition, we aimed to identify employers' opinions on what university should do in order to improve the quality of the educational services provided to students and their performances.

##### ***Research methods***

To analyze employers' opinion regarding the ASE graduates competences and knowledge we have conducted an empirical research that allowed us to collect data directly from the source through specific methods and techniques. Our research

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<sup>6</sup> [https://www.ase.ro/2013\\_files/despre\\_ase/conducere/pdf/Raport\\_rector\\_2018.pdf](https://www.ase.ro/2013_files/despre_ase/conducere/pdf/Raport_rector_2018.pdf)

method was the questionnaire based survey. We have questioned employers from ASE data base – ASE partners for students' practical stages or internships, or representatives in consultative councils at university level.

We have used both non-probabilistic sample and group sample. We have used existing information and experts conclusions to select directly the typical sample (non-probabilistic sampling) and, in the same time, we have selected our sample from heterogeneous groups which were considered separate sampling units (groups sampling).

The employers group had 80 respondents out of 435 from ASE data base (18.39% response rate). We have considered these employers relevant due to the fact that in ASE data base are included the most significant employers of ASE graduates, both from private and public sectors.

The instrument used to collect data was the Questionnaire on employers' opinions regarding the quality of ASE graduates. This questionnaire has 9 closed-ended questions and 1 open-ended one. Some of the closed-ended questions aimed to collect factual data about respondents, such as age, education, company, position in company. Other closed-ended questions provided pre-coded alternatives that allowed us to collect answers grouped into pre-defined categories.

The questionnaire has been sent by e-mail to all employers from ASE data base. We have used a Google drive format that generated an electronic data base for research.

The questionnaires were distributed and completed in August - September 2018.

## 5. The findings

On the top in employers ranking of graduates' competences and qualities is the work attitude expressed by candidates to a job - they need to have a proactive attitude toward work – and then, on lower positions, are communication skills, team work and digital skills. Very important are ability to speak modern languages and to have volunteering experience. Work experience is considered not necessarily (72.5% respondents considered it as not necessarily). Employers requests specific abilities and attitudes.

Among abilities mentioned by employers are: logical thinking, adaptability to changes, capacity to make connections, to understand a context, to speak literarily, to behave professionally, to used computer programs and applications, to speak modern languages (English and other than English), capacity to stay focused, stress resistance, numeracy, verbal and written communication, autonomy and self-motivation, capacity to learn, create, and research, capacity to organize and plan things, to prioritize.

Among attitudes mentioned by employers are: kindness and respect to the others, professional aspirations, motivation, desire to learn, positive reaction to feed-back, responsibility, open-minded, positive reaction to critics understood as means of improvements, flexibility, desire to develop themselves professionally, awareness in respect with professional path and opportunities at a time,

understanding professional development as move from a starting point in profession to upper positions in time, social adaptability, empathy, desire to professional development, interest to knowledge, implication and commitment, availability, punctuality, to be kind and polite, to take initiatives.

Romanian employers expect important qualities at their employees as demonstrates our research. They expect employees to be aware of their strengths and weaknesses, emotions and frustrations, to be resistant to stress, flexible, and able to adapt themselves to changes, work in teams, self-confident, sociable, creative, and responsible. Other expected qualities and competences are: self-evaluation, the need for personal development, intellectual curiosity, initiative, crises management, analytical thinking, and ethical professional behavior.

The questioned employers describe ASE graduates as well prepared professionally, but mainly at general economic and business knowledge level (70 % out of the above indicated employers). Only 52.5% of them considered that important competences students gain from extracurricular activities. In employers' opinion ASE universities are partially specialized in the domain they have studied at university (45% of employers have expressed this opinion) but without practical experience (90% of employers have expressed this opinion). The lack of practical experience is compensated by an adequate attitude. ASE graduates are opened to new learning experiences (in opinion of 83% of employers), obey the rules of the organizations, show respect to organizational culture. But they have great expectations from the beginning of their careers: they don't like to perform "small" tasks such as multiplying, printing or organizing documents, but expect to do spectacular things and consider that they are prepared for these.

Although the insertion rate of ASE graduates on the labor market is high, ASE should remain preoccupied to provide high quality educational services to students. Employers have recommended changes in curriculum, teaching and research activities:

- Changes in curriculum: increase the percentage of practical activities in educational programs, rethinking and updating the content, new courses and topics;
- Changes in teaching activities: involving expert from business sector in teaching activities, professional competences-oriented assessment, and teaching in simulated and real economic situations;
- Changes in research activities: research activities conducted in partnership with employers, surveys on employers' expectations.
- Employers have mentioned also the benefits of support services for students: professional and career counselling and orientation, and professional tutoring.

## 6. Conclusions

The increase in the quality of university graduates in terms of sets of competences developed in universities is essential in the present of economic context. Universities need to develop to their students both professional and transversal competences (soft skills) that increase their employability and help professional development.



Our research shows a complex picture of employers' expectations from ASE graduates. ASE graduates should demonstrate both professional competences and soft skills that increase their employability and help them find a job, adapt to work environment, and develop professionally.

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