

# Personal Competencies from the Perspective of HR and Higher Education

## Личне компетенције из перспективе људских ресурса и високог образовања

**Erika Varga\***

Szent István University, Faculty of Economics and Social Sciences

**Ildikó Rudnák\*\***

Szent István University, Faculty of Economics and Social Sciences

**Zoltán Szira\*\*\***

Szent István University, Faculty of Economics and Social Sciences

**Сажетак:** Наш рад истражује да ли компетенције заиста играју значајну улогу у управљању људским ресурсима и унапређују конкуретност. Жели да истакне које компетенције могу да побољшају успех запослених на тржишту радне снаге заједно с неким цртама личности које имају снажан утицај на механизме одлучивања. Такође се тражи одговор на питање како се компетенције трансформишу и ре-евалуирају. У ту сврху су примењени примарно и секундарно истраживање са квалитативном (интервјуи са фокус групама) и квантитативном (стандардизовани упитници) фазом. Један од наших даљих циљева био је тестирање структуре компетенција прилагођене ситуацији на мађарском тржишту радне снаге. У закључку смо оправдали постојање компетенција, углавном у селекцији. И послодавци и запослени истакли су значај развијања истих у обуци и пракси, и виде компетенције као фактор будућег развоја помоћу кога се унапређује дијалог између радне снаге и образовања.

**Кључне речи:** компетенције, развој, тржиште радне снаге, евалуација, црте личности.

**Abstract:** Our paper examines whether competencies really play a significant role in human resource management and enhance competitiveness. It wishes to highlight what competencies (can) enhance the success of employees in the labour market together with certain personality traits that have a powerful impact on decision making mechanisms. An answer is also sought to the question of how competencies have been transformed and re-evaluated. To this end, both primary and secondary research with qualitative (focus group interviews) and quantitative (standardised questionnaires) phases were applied. One of our further objectives was to test a competency structure tailored to the Hungarian labour market situation. As a conclusion, we have justified the existence of competencies mostly in selection. Both employers and employees have pointed out the significance of developing them in training and practice and see competencies as a factor of future growth that help improve the dialogue between the labour market and education.

**Keywords:** competencies, development, labour market, evaluation, personality traits.

## 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 depends on human resources that run enterprises.

One of our objectives in carrying out secondary research was to examine whether competencies really play a great role in HR. Furthermore, in the primary phase

\* ✉ varga.erika@gtk.szie.hu

\*\* ✉ rudnak.ildiko@gtk.szie.hu

\*\*\* ✉ szira.zoltan@gtk.szie.hu

we have also tested a competency structure selected and tailored according to the findings of the qualitative research. We have found two parties whose opinions have collided about the importance of competencies.

The reason for the popularity of competencies can derive from the decline of classical scientific culture in parallel with the spread of mass higher education systems in the world of postmodernism (Scott, 1998). In order to manage work and career successfully it is essential to possess the proper resources and competencies (Ulrich et al., 2009). However, there is no unified definition for competencies yet. It always depends on the context or situation what we actually mean by this term.

Moreover, competencies are job-related. Job competencies are such knowledge, skill and ability parts that play a central part in career management and which can be influenced by the individual (Akkermans et al., 2013). The *Competent Manager* by Boyatzis (1982) is still a great treasury for competency profiles and examples in which the manager has a key role.

Another useful resource is the book written by Spencer – Spencer (1993) 10 years later in which more than 1500 competency models can be found. As a result, competency profiles were born for certain positions, which could be quickly reviewed. The well-spread definition for competencies by Spencer and Spencer is the following: ‘Competencies are underlying characteristic of an individual that is causally related to criterion referenced effective and/or superior performance in a job or situation’ (Spencer – Spencer, 1993 9. p.). David McClelland went on to argue that the best predictors of outstanding on-the-job performance were underlying, enduring personal characteristics that he called competencies (McClelland, 1973)

However, as we have found, some of the authors were against competency models or the idea itself by noting that it is difficult, expensive and time-consuming to use (Herzberg, 2003). Dalton (1997) argues that competency models are a waste. He proposes that the two main flaws with current competency methods are the lack of future orientation and the means by which one could acquire these requisite future skills.

Our main aim in the primary research was to analyse a competency structure. Due to the volume and content limitations as well as the high number of competencies in the 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 coupled by some personality traits that we though remarkable on the basis of our qualitative research, i.e. in-depth and focus group interviews with the specialists. Our competency structure can be regarded of novel nature as such a mixture of competencies has never been examined in Hungary. Furthermore, the correlations explored concentrate on the application of the results and the development of competencies in higher education.

## 1. Material and method

We have chosen interviews as a method of primary research and standardised questionnaires were designed as an instrument. Before the quantitative phase in 2014, qualitative research was also conducted as one of my objectives was to compile and validate an independent competency structure tailored to the situation and the special features of the Hungarian labour market based on the opinion of the members in the sample. A focus group examination was conducted 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 were striving to adjust questions to every level of measurement (nominal, ordinal, interval and ratio scale), which were open or closed questions.

The deadline for returning questionnaires was 30 June 2014. Of the 1291 returned, 1264 could be assessed (519 employers, 435 full time students and 310 correspondent students). Furthermore, 389 were sent back electronically and 875 were paper-based.

## 2. Results

### *Evaluation of the questionnaire of full-time students*

According to the 435 full-time students, good communication skills, IT and foreign language skills are necessary in most cases for a successful career. The labour force of the future sees the collateral of a successful career in being able to make use of the knowledge gained. At present there is a need for adequate knowledge tailored to labour market requirements which can be used in practice, too. The improvement of basic skills and competencies was also marked as a very important objective and requirement in a message to (higher) education institutions as developing personality traits and personal competencies were stressed in the ranking. Students thought that gaining new knowledge is also essential for success. This also highlights the viability of concepts such as lifelong learning and lifewide learning (LLL and LWL).

We were also curious to know the students' opinion about shifts in stress within the domain of competencies. In their opinion technical, economic and entrepreneurial skills, learning from mistakes and discretion are the competencies that were appreciated to the greatest extent in the last 5 years. Table 1 presents the results.

competency	appreciated	no change	depreciated
cooperation	30	33	37
persistence	38	27	35

learning from mistakes	60	12	28
reliability	40	30	30
motivation	35	28	37
punctuality	48	20	32
problem solving	35	14	51
self-improvement	26	14	60
flexibility	32	14	54
coping with stress	22	20	58
initiative	49	16	35
persuasion	50	8	42
loyalty	45	26	29
independence	35	19	46
sense of responsibility	42	22	36
taking risks	35	21	44
self-discipline	53	25	22
preciseness	44	25	31
organisational skills	45	12	43
hard working	49	25	26
endurance	21	15	64
patience	32	45	24
decision making	44	19	37
discretion	55	22	23
ability to learn	47	12	41
communication in a foreign language	20	8	72
IT skills	16	1	83
entrepreneurial skills	50	10	40
communication skills	33	5	62
EU basics	49	9	42
technical skills	57	8	35
economic skills	60	6	34
social awareness, empathy	41	41	18

*Table 1 Evaluation of competencies (skills and abilities) in the last 5 years (in percentage)*

*Source: research in 2014, N= 435*

According to the results above students stated that the skills and abilities inevitable to become a successful entrepreneur (flexibility, decision making, discretion, taking risks and endurance) should be developed predominantly by higher education.

During their current studies students mentioned that the development of practical and theoretical competencies still favoured the latter ones by 65% to 35%. In our opinion this should be changed as there is a need and call for implementing theoretical knowledge in the labour market.

The three competencies that should urgently be developed are communication (46%), foreign language (36%) and mathematics/IT (9%). In parallel, respondents also

named individual project tasks as the best way of developing the necessary competencies.

***Evaluation of the questionnaire of correspondent students***

We also asked the correspondent students which competencies of the structure compiled have the most important role in making a successful career. According to the results of the sample of 310 members, communication skills and IT skills are the most decisive and also foreign languages, negotiation skills and self-knowledge were placed at the top.

As a separate question we were also curious to know their opinion about the role certain competencies played when they were selected for their present job. The most important skills mentioned were reliability, sense of responsibility, self-discipline and marked them as a reason for hiring. The result also reflects the reassessment of personal competencies which corresponds with the responses of full-time students and also with the ones of the employers later. Table 2 presents the results.

<b>competency</b>	<b>definition</b>	<b>mean</b>
cooperation	works together with others to achieve a common goal	4.1
persistence	loyal and able to concentrate on the task for long	4.2
learning from mistakes	makes efforts to correct the mistakes	3.7
reliability	acts as instructed	4.7
motivation	enthusiastic, positive attitude to tasks	4.0
preciseness	performs quality work by deadline	4.5
problem solving	points out problems and tackles them	4.3
self-development	aware of strengths and weaknesses, consciously improves skills	3.6
flexibility	able to adapt to changing conditions	4.1
coping with stress	able to work under pressure	4.1
initiative	projects thoughts and ideas without asking	3.5
persuasion	introduces ideas and thoughts with logical arguments	4.1
loyalty	inspired by work, relates to organisational objectives and values	4.2
independence	able to work on their own	3.7
sense of responsibility	puts up with the consequences	4.7
taking risks	able to act with uncertainty	4.0

self-discipline	able to control feelings under stress	4.5
preciseness	able to work almost without any faults	4.3
organisational skills	able to coordinate working tasks	3.6
hard working	looks for new and extra challenges	4.1
endurance	makes and keeps up the required efforts	4.1
patience	able to manage certain situations calmly	3.5
decision making	evaluates and assesses different points of view unbiased	3.9
discretion	cautious	3.8
ability to learn	able and willing to do self-improvement	4.0

Table 2 Opinion about the role of competencies in hiring for the present position

(mean, where 1=not important at all, 5=the most important)

Source: research in 2014, N=310, standard deviation: 0.8-1.0

According to the correspondent students the collateral of a successful career lies in implementing the knowledge gained and using the basic competencies. Students said it was typical of their present job and position that they are required to gain new knowledge, which stresses the importance of keeping up with the new and novel technologies and innovations in almost all positions nowadays.

A similar result was gained when prioritising these competencies. Students were asked which competencies they use predominantly at work. The results are shown by Figure 1.

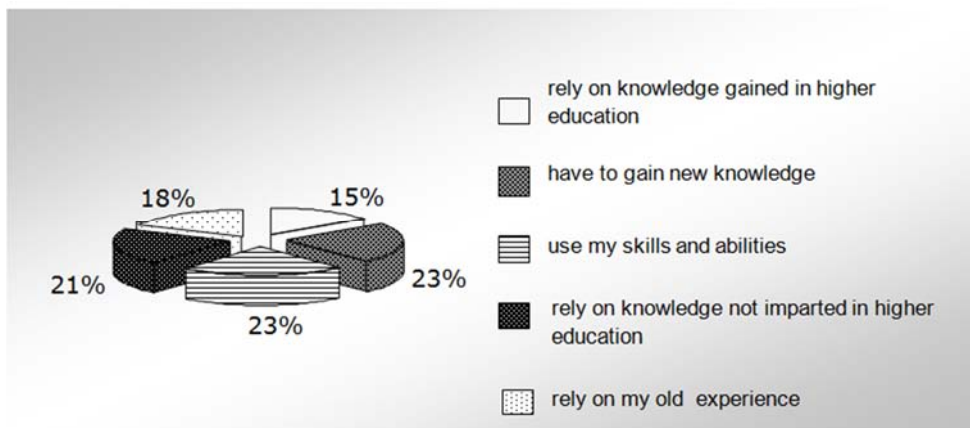


Figure 1 The share of competencies used in work experience (average)

Source: research in 2014, N=310, standard deviation: 0.7-1.0

In terms of the competency structure it turned out that IT skills, self-development, coping with stress and communication are the skills that have been appreciated lately according to the members of the sample. Results are presented by Table 3.

competency	appreciated	no change	depreciated
cooperation	43	36	21
persistence	49	35	16
learning from mistakes	35	57	9
reliability	36	48	16
motivation	38	36	26
preciseness	33	55	12
problem solving	56	39	5
self-improvement	60	32	8
flexibility	56	34	10
coping with stress	66	21	13
initiative	30	54	16
persuasion	31	57	12
loyalty	24	46	30
independence	47	42	11
sense of responsibility	34	50	16
taking risks	33	45	22
self-discipline	31	54	15
preciseness	30	57	13
organisational skills	43	50	7
hard working	26	54	20
endurance	76	19	5
patience	28	47	25
decision making	40	50	10
discretion	22	70	8
ability to learn	52	38	10
communication in a foreign language	67	28	5
IT skills	77	23	0
entrepreneurial skills	38	40	22
communication skills	60	34	6
EU basics	27	62	11
technical skills	26	62	18
economic skills	31	61	8
social awareness, empathy	24	33	43

*Table 3 Assessing the importance of competencies  
(% relative frequency, more than one answer)*

*Source: research in 2014. N=310*

In addition to technical, economic and EU basics self-improvement and ability to study are the competencies developed by higher education. Labour market, however, requires coping with stress, cooperation and endurance. *A little gap between labour market requirement and competency development by higher education* was also present here, which can be utilised in rethinking competency development at schools to show the shift in proportions and also the skills that have to be stressed in developing to meet the demands of the labour market.

The most efficient way of competency development was project work and professional practice, too (Figure 2).

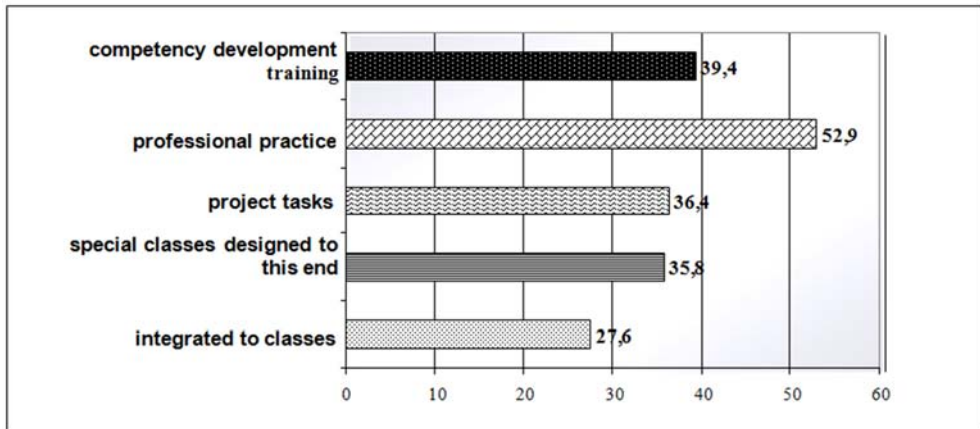


Figure 2 Ideas in connection with competency development

(% relative frequency, more than one answer)

Source: research in 2014. N=310

## Evaluation of the questionnaire of employers

One of the important objectives of my 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. The significance of negotiation techniques and self-knowledge as the only one personal competency should not be neglected, either. They are followed by such key competencies as social and economic basics.

We were also interested to know how the significance of competencies has changed during the last 5 years. Responses are reflected by Table 4.

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

Table 4 Changes in the significance of competencies during the last 5 years (percentage)

Source: research in 2014. N= 519

According to the members of the sample endurance, flexibility, problem solving and self-improvement are the competencies that have been most appreciated. We also examined what competencies are mostly developed by employers. Results reflect that they are the so-called standard requirements, i.e. self-improvement, reliability, sense of responsibility and loyalty. They all belong to the group of personal competencies.

We also examined the most important skills and abilities. They were cooperation, reliability and technical skills. Employers stress the necessity of working in a group, co-operating and working in a reliable way.

In addition to the prioritized competencies I also wanted to know what competencies and skills are regarded not so important by employers. In a very close competition EU basics were nominated together with IT skills under which, in my opinion, they mean programming skills at a more advanced level as nowadays informatics is a must. Social awareness and empathy is the tail ender, which is surprising as in my opinion this social competency is also of vital importance in our current multicultural background based on team work. The same was also stated by employers.

We also analysed the experts' opinion if the role of competencies at work appreciates, does not change or depreciates in the future (Figure 3). The majority stated that this role would appreciate in the future.

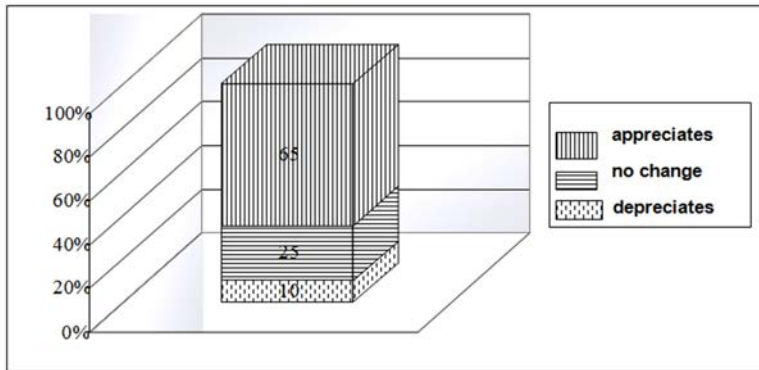


Figure 3 Evaluation of the future role of competencies (%)

Source: research in 2014. N= 519

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 as reflected by Figure 4.

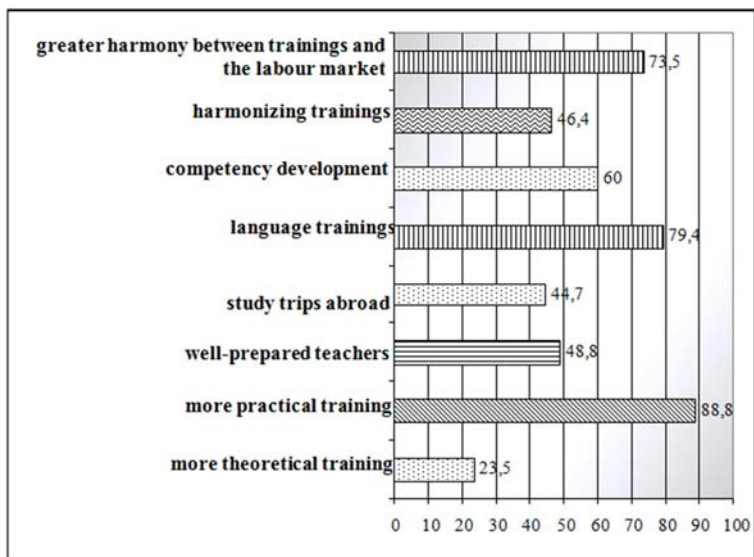


Figure 4 Changes suggested in education

(in percentage, relative frequency, more than one answer)

Source: research in 2014. N= 519

## Conclusions and recommendations

Our objective was to analyse and assess the importance that competencies play in the labour market and human resource management nowadays. We have also assessed their role in the future and pointed out if this role would appreciate, depreciate or not change with the passage of time. Among others, a unique competency set was also tested. The importance of the so-called modern entrepreneurial competencies (ICT: communication, foreign language, IT) has been revealed, which is in perfect harmony with the requirements of the business sector. We would suggest developing these competencies more intensively either under institutionalised circumstances (at schools) or non-formal education.

As competency development was regarded important both by (would-be) employees and employers we would recommend the contribution of a supporting organisational culture to certain personal competencies (such as self-improvement). However, it must be noted when talking about the role of personal competencies that updating them and putting a proper stress on them is of vital importance in the content of the training, which could promote (better) harmonisation between the labour market and education.

As a result, we have proved the further appreciation of 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.

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## Resume

The paper is aimed at exploring what core competencies (can) enhance the competitiveness of employees according to the employers. It is also examined what personality traits have a decisive effect on the decision making mechanism of employers when taking on new staff. However, it is also important to keep in mind from which aspects the qualification, knowledge and competencies of employees meet the expectations. By surveying both the employers' and the (would-be) employees', i.e. students' expectations it is concluded that some of the analysed competencies play a vital role in the hiring process and they can mostly be acquired in practical trainings. It was also analysed how the role of competencies have been appreciated and re-evaluated. One of our objectives was to create and test a competency structure tailored to the current Hungarian labour market situation and special features on the basis of relevant literature on the topic.