COMPETENCE BASED EDUCATION – THE ANSWER FROM HIGHER EDUCATION TO THE LABOUR MARKET?

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Abstract

Recent studies and experiences have shown that students and also their higher educational institutions have to face new challenges. Universities traditionally offer knowledge-based education, but the expectations on the labour market has been changing and companies expect to have skills and competences, and also practice from entrants – which they often do not have.

Budapest Business School (BBS), as one of the first universities of applied sciences in Hungary pointed out on one hand to change the content of the studies and bring it closer to the real expectations of labour market, and on other hand started to run researches to find out what the expectations really are on the labour market.

Authors of this article have run two separated research activities, though both have been concentrating on competences and the evaluation of competences.

One research – as part of the doctoral work of one of the authors – was made about the competences of the new accountants. Of course there were prior studies and surveys which authors could use, but a primer survey was also done within more than 1,000 representatives of specialists from the field accounting, taxation and consultancy.

The other research would like to help knowing better what kind of competences a real entrepreneur need to have. Willingness of entrepreneurship in the Hungarian higher education is quite low but authors have some experiences in a learning-by-doing based education where students run their own businesses. To make able to compare university based or national results, authors used the results of the GUESSS survey (Global University Entrepreneurial Spirit Students’ Survey) and based on that also previous survey results in the mentioned education.

Authors make an attempt to summarize the results of these two researches and to conceive some suggestions to higher educational institutions (including BBS as well) in competence development.

Keywords: competence, competence based education, accounting, entrepreneurship, Team Academy.

1 INTRODUCTION

As recent studies and experiences have shown that students and also their higher educational institutions (HEIs) have to face new challenges universities need to turn more towards labour market. Universities traditionally offer knowledge-based education, but the expectations on the labour market has been changing and companies expect to have skills and competences, and also practice from entrants – which they often do not have.

Budapest Business School with a wide range of BA and MA programmes in business field has pointed out to bring academic education as close to the real needs of labour market as possible. A quite long process has been started to refresh and re-think the whole content of educational programmes and beside those special projects have been started – among them several ones partly financed be the European Union – to make academic staff able to emphasize most important changes in the education and to collect real and best practices and experiences to this challenging process.

Faculty of Finance and Accountancy with its more than 50-years background has focused its education beside the field of finance and accounting also on the field of entrepreneurship, human resources and business IT. As one of the biggest and leading HEIs in business education in Hungary the aim is not only to refresh the educational programmes corresponding to the changing needs but the responsibility is much bigger as BBSs’ BA and MA programmes are examples to follow nationwide.
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2 METHODOLOGY

The authors of this article have made two separated research activities.

One of that has focused on the competences of new accounting specialist. The primary research has been done at a conference for accounting and taxing specialist with more than 1,000 participants. All of them had got a questionnaire with around 16 competences of accountants and the evaluation of the existing or missing competences has been done by a Likert scale.

As some of blueprints ([1], [2]) have already pointed a range of competences with the comparative analysis of these studies an enlarged competence list has been shown in the survey for the accounting specialist. Reasons for this enlarging were that accountancy has a special focus to national characteristics and also that the research focused on the education of accountants. The total list of competences is to find in Table 1.

<table>
<thead>
<tr>
<th>Competences analyzed in international empirical surveys</th>
<th>Added competences to national survey in Hungary</th>
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<tbody>
<tr>
<td>Written communication skills</td>
<td>Foreign language communication skills</td>
</tr>
<tr>
<td>General taxation knowledge</td>
<td>Analytical view</td>
</tr>
<tr>
<td>Oral communication skills</td>
<td>Accounting knowledge</td>
</tr>
<tr>
<td>Ability to answer special taxation questions</td>
<td>Ethical behavior, professional skepticism</td>
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<tr>
<td>Knowledge of business environment</td>
<td>Team work, co-operation</td>
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<tr>
<td>Knowledge of accounting software (ability to use accounting programs)</td>
<td>Human skills</td>
</tr>
<tr>
<td>Leaders' consulting knowledge (decision preparation)</td>
<td>Ability to life-long learning</td>
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<tr>
<td>IT knowledge</td>
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<tr>
<td>Management knowledge</td>
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Table 1. Competence list used in the national survey.

From the more than 1,000 participants 525 participants answered the questionnaire (52.5%), they were chartered accountants, certified public accountants (CPAs), tax counselors, bookkeepers.

Second research was done among the students of Team Academy (TA) Budapest a special learning-by-doing based education with a focus on entrepreneurship. This program has been introduced into the Hungarian higher educational system as a specialization within the BA in Business and Management though in the origin country, Finland it covers a whole BA program.

At the time of the research the students of the first three years have been graduated and this made a reason to make a research among them. All 114 graduated students have answered the questionnaire.
in which some selected questions of the GUESSS survey (Global University Entrepreneurial Spirit Students’ Survey) have been used to make researchers able to execute international comparisons as well. [9]

Based on prior studies the competence list of a successful job performance includes:

<table>
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<th>Table 2. Sorts of skills for successful job performance.</th>
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<tbody>
<tr>
<td>Leadership</td>
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<tr>
<td>People management and teamwork</td>
</tr>
<tr>
<td>Innovation and entrepreneurship</td>
</tr>
<tr>
<td>Communication</td>
</tr>
<tr>
<td>Adaptability and flexibility</td>
</tr>
<tr>
<td>Change management</td>
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<tr>
<td>Project management</td>
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<tr>
<td>Influencing</td>
</tr>
<tr>
<td>Decision making</td>
</tr>
<tr>
<td>Time management</td>
</tr>
</tbody>
</table>

Source: Developing the creative and innovative potential of young people through non-formal learning in ways that are relevant to employability (http://ec.europa.eu/youth/news/2014/documents/report-creative-potential_en.pdf)

Having the results of these researches authors try to find common points and make an attempt to conceive some suggestions to higher educational institutions (including BBS as well) in competence development.

3 RESULTS

As first authors show the results separated and then in 4. Conclusion will summarize their results.

3.1 Results of the first survey

Results of the first survey among accounting specialist will be shown based on the doctoral study of one of the authors and follow the main principles of the hypothesis list.

3.1.1 Relevance of given competences

At least 93% of answering participants have found the given 16 competences as necessary and relevant for an accountant so it can be pointed out that these competences are not country-specific ones.

Though in researches in the USA and in Hong Kong [1] had focused only on freshly graduated accountants in the national research three different levels/forms of accounting education have been studied: post-secondary level, CPA and BA level.

3.1.2 Lack of competences especially in the field of services

Curricula of any accountant education in Hungary have been worked out traditionally in co-operation among HEIs and professional bodies (companies, chambers etc.). This results that the answering participants found the professional competences of the freshly graduated accountant students at each level (post-secondary/ECVET, BA, MA) for more than satisfactory. Though beside the professional ones it would be necessary to have personal competences such communication, foreign language which are relevant in an – mostly international – service environment. These competences need to be strengthen at post-secondary/ECVET education in particular.
3.1.3 *Special competences at accountants*

Previous researches have shown (e.g. [3]) that educational institutions have understood competences as professional knowledge whereas companies have the expectation of systematic thinking, good communication, team work based on the professional competences.

Since accounting as profession is based on mutual confidence between the parties (especially at smaller enterprises) the research has lead the result that accountant specialists need to have strong ability of business ethic: at administration level more the ability of identification and practise ethical aspects, at higher levels but also of ethical problem solving both on operative and strategic term.

As accountancy is more and more widely consultancy or part of the consulting process knowledge of the recent business environment and human skills are also important for accountants.

According to international researches and also as a result of the national survey company representatives have found personal skills and management competences more important than the solely professional knowledge. Though there is a relevant difference between the researches in the USA and Hong Kong comparing to Hungary as in Hungary professional competences have been evaluated as existing ones as far as in the USA and Hong Kong companies missed those as well at freshly graduated accountants.

3.1.4 *Effect of traineeship/internship*

To become a registered CPA there is a need of 3 years' professional experience in Hungary. In the BA programme Finance and accounting there is a one-month long traineeship between the semester 4 and 4, and the 7th semester itself is an internship. At post-secondary level there is no obligatory company practice needed to the certification.

The answers of the national survey have resulted that the size of professional experience has an impact to the evaluation of the competences. Very simplistic: the longer the professional experience the more stable the competences. Though significantly relevant difference was only in team working and written communication.

3.1.5 *Difference between the point of view of labour market and employees*

There is a difference between the valuation of the labour market (companies) and the self-evaluation of the freshly graduated accountants. At each mean freshly graduated accountants have evaluated themselves worse than the valuation of the company was. Though 85.96 per cent of the freshly graduated accounting students have longer experience as the obligatory internship, and more than 40 per cent of them was employed at Big4, their answers were worse than the companies' results.

3.2 *Results of the second survey*

Second research was done among the students of Team Academy Budapest. Team Academy is a learning-by-doing based education coming from Jyväskylä University of Applied Sciences (JAMK), Finland. Budapest Business School has been running Team Academy as one of the specializations within the BA programme Business and Management.

At TA each year closely 30 students have started their entrepreneurial career and as a learning environment TA tries to enhance entrepreneurial skills and competences.

At the second survey all graduated students – or as called team-entrepreneurs using the TA term – have been asked to fulfil some relevant questions of GUESSS survey. [9]

With some point authors tries to reflect with the results of this survey to the national dispute about economics and its education in Hungary [6].

In the research the team-entrepreneurs from the first 3 years of TA Budapest have been asked. More than 100 answers have based the database which was executed.

3.2.1 *About career path*

As a first result a slightly difference could have been seen between the career path right after the graduation at student BBS level and TA graduates. Career goal at TA students is clearly to be entrepreneur or be employed at a mid or big sized company. There is no willingness to be employed at a small sized company. In discussions about the results it has been clear that in this case students preferred to be entrepreneur.
Generally, at BBS level to become entrepreneur represents also the double of the national average but still is under 5 per cent.

3.2.2 Willingness to establish an enterprise

There has been also a huge difference between the result to the answer "Would you like to establish your own enterprise?". It needs to be added that there was no time restriction at this question.

Students at TA Budapest with a background at least 1.5 years’ entrepreneurial experience have been much more willing to establish – once – an own enterprise comparing to BBS students’ average.

3.2.3 Competence development at Team Academy

Based on the EU employability study the survey asked students from TA Budapest to evaluate their competences and the role of Team Academy as a learning environment in the development process of the mentioned competences. Answers were measured on a 1-10 scale, 10 the best.
Table 3. Competence evaluation by TA students.

<table>
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<tr>
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<th>Results to the level of competence</th>
<th>Results to the role of Team Academy in competence development</th>
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<tbody>
<tr>
<td>Leadership</td>
<td>8.74</td>
<td>8.35</td>
</tr>
<tr>
<td>People management and teamwork</td>
<td>9.11</td>
<td>7.99</td>
</tr>
<tr>
<td>Innovation and entrepreneurship</td>
<td>8.54</td>
<td>7.23</td>
</tr>
<tr>
<td>Communication</td>
<td>8.97</td>
<td>9.21</td>
</tr>
<tr>
<td>Adaptability and flexibility</td>
<td>7.4</td>
<td>6.24</td>
</tr>
<tr>
<td>Change management</td>
<td>8.3</td>
<td>8.42</td>
</tr>
<tr>
<td>Project management</td>
<td>9.45</td>
<td>8.96</td>
</tr>
<tr>
<td>Influencing</td>
<td>8.12</td>
<td>9.23</td>
</tr>
<tr>
<td>Decision making</td>
<td>6.97</td>
<td>8.22</td>
</tr>
<tr>
<td>Time management</td>
<td>6.89</td>
<td>5.45</td>
</tr>
</tbody>
</table>

As it can be seen on Table 3, the answers to the role of the Team Academy are mainly at all question worse than the self-evaluation results. To find out the reason(s) of these differences students were asked to participate in some small focus group to make an interview about the results.

It has been obvious that TA students realize the role of Team Academy in the competence development but they also have much higher expectations than other BBS students have towards the university. Without a deeper analysis maybe it can be stated that comparing to the higher expectations next steps can be taken but to the average evaluation students are satisfied with the TA environment.

4 CONCLUSIONS

At both surveys it has become clear that universities, and because of the origin of the answers Budapest Business School still has lot to do in defining its role in the competence development process of the students.

Both at the field of accountants from the labour market and at Team Academy from the team-entrepreneurs itself there is a huge expectation. Competence based education could be one answer how to solve and/or serve expectations.

It is clear that HEIs need to be active in curricula development, in infrastructure development and a persistent communication with participants on the labour market.

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REFERENCES


