The “Soft Five” in Romania

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An employability of individuals became dependent not only on their qualification, but also on their soft skills. Therefore, this paper tries to examine an importance of soft competencies for Romanian labour market and evaluate gap between soft competencies of graduates and unemployed registered at Employment Offices and employers’ requirements. The survey among 277 employers (representing 36,268 employees) was realized in 7 NUTS-3 regions of Romania in March 2011 to ensure relevant information. The results shows the necessity of development of competencies for customer orientation, efficiency, problem solving, effective communication and planning and organizing, which are simultaneously the most important for work performance and the least developed. This output represents an important input for an adaptation of current formal education curricula.

Keywords: Soft competencies, employability, work performance, training and education
JEL Classifications: J23, J24

1. Introduction
The transition from social to market economy emphasized an importance of formal education in all countries of Central and Eastern
Europe. At the present, these countries have to deal with new significant changes of their labour markets connected with spreading of a competency approach in human resources management. The focus on soft competencies, which can be defined as a set of transferable and generally applicable knowledge, skills and attitudes, which are necessary for personal development and success on the labour market, and their growing importance for individual’s employability can be seen as the most significant one.

The Czech Republic can be used as an example of high effort devoted to the identification of employers’ needs in the field of soft competencies and their development (see section II for review of relevant literature). Knowledge of employers’ needs led to a creation of educational product focused on development of 14 soft competencies. This product, which was marked as a “good practice” by DG Employment in 2006 and won national round of “European Business Award” in “Investment in Human Resources” section in the same year (see Šimek, 2010 for details), was created in the frame of “Competencies for Labour Market” project (reg. No. CZ.04.4.09/3.1.00.4/0001).

The aim of this paper, inspired by the Czech experience, is to examine an importance of soft competencies for Romanian labour market, evaluate gap between soft competencies of graduates and unemployed registered at Employment Offices and employers’ requirements and discuss the list of competencies, whose development should be supported by Romanian education system. (The paper describes key findings from a survey realized among employers in 7 regions of Romania. For full report see Balcar, Coca, Găzdaru, Karásek, Vasilache, 2011.)

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I. Review of literature on soft skills

An importance of soft competencies has increased significantly in last decades. For example, Borghans, Weel and Weinberg (2006) reported significant growth of number of people performing job tasks requiring soft competencies from 1970 to 2002. Weinberger (2011), however, found out that the growth of employment is concentrated mainly in jobs requiring combination of both cognitive and soft competencies, whereas an employment in jobs requiring either cognitive or soft competencies was relatively stable from 1977 to 2010. It corresponds with finding of Bacolod and Blum (2008), who found statistically significant correlation between requirements on cognitive and soft competencies, which advert to their complementarity. An indirect evidence of growing importance of soft competencies was presented by Bacolod and Blum (2008), who found that the wage premium to soft competencies doubled between years 1968 and 1990. Since the enumeration of similar evidences from different countries would be endless, the literature review will be focused on Czech environment. This approach has three advantages: it provides detailed information on background relevant for designing the Romanian survey, replenishes information provided by introduction, and enables subsequent comparison of soft competencies needs between two post-socialistic countries.

Only slightly higher preferences of specific professional competencies (51.5 - 57.1 %) compared to general ones (42.9 - 48.5 %) were identified among Czech employers from various economic sectors (Burdová, Paterová, 2009; Kalousková, 2007 and 2006; Kalousková, Šťastnová, Úlovcová, Vojtěch, 2004). A set of general competencies in stated studies cover both soft competencies and non-soft...
competencies. The soft competencies were identified as more important in comparison with non-soft competencies.\(^3\)

An identification of soft competencies with highest productive potential represents the aim of many empirical studies, which differ in methodology approach and their focus. The studies identify the soft competencies by questionnaire surveys realized in different sectors (e.g. Burdová, Paterová, 2009; Kalousková, 2007 and 2006; Karásek et al., 2004; Kalousková, Šťastnová, Úlovcová, Vojtěch, 2004) or regions (e.g. Balcar, Filipová, Gottvald, Šimek, Šmajstrlová, 2008; Gavenda, 2006; Havlena, 2004), job advertisements analyses (e.g. Balcar, Janíčková, Filipová, 2012; Štastnová, Kalousková, Úlovcová, Vojtěch, 2008 and 2006) and interviews with representatives of private recruitment agencies (e.g. Štastnová, Kalousková, Úlovcová, Vojtěch, 2008 and 2006) or public employment offices (e.g. Skácelová, Vojtěch, 2009; Burdová, Trhlíková, Vojtěch, 2007). Moreover, the studies often distinguish requirements on soft competencies according to workers’ educational attainment, which further increase an amount of provided information on soft competencies.

The 13 studies stated in the previous paragraph provide information on requirements of soft competencies for 39 categories of workers (these categories differ in educational attainment, sector, region, used methodology and year). Despite different methodology and sets of

\(^3\) All above stated studies (Burdová, Paterová, 2009; Kalousková, 2007; Kalousková, 2006; Kalousková, Šťastnová, Úlovcová, Vojtěch, 2004) use unified set of 13 general competencies including 9 soft competencies and 4 non-soft competencies (ICT skills, language skills, literacy and numeracy). It can be assumed that equal importance of soft and non-soft competencies in the defined set of competencies leads to equal distribution of the soft and non-soft competencies in the list of 13 competencies ordered by their importance for employer, i.e. approximately 2 of 4 non-soft competencies should be present among the 7 most important of 13 competencies. The analysis of the studies, which contain information on 12 categories of workers (these categories differ in educational attainment, sector, region, year), showed that in average only 1.4 non-soft competencies were present among the 7 most important competencies, i.e. 35.4 % of non-soft competencies were present among 53.8 % of the most important competencies.
Competencies applied in studies it is possible to state that Responsibility and Communication fell within the 3 most important competencies in at least 1/2 of the 39 categories and Life-long learning, Flexibility/adaptability, Independence, Problem solving and Cooperation in more than 1/5 of categories.

4 of the 12 studies (Burdová, Paterová, 2009; Kalousková, 2007 and 2006; Kalousková, Šťastnová, Úlovcová, Vojtěch, 2004) provide information also on future demand on competencies. It is possible to conclude that Life-long learning, Flexibility/adaptability and Exploring and orientation in information belong most often among the three soft competencies, whose importance will increase the most in the future. It is worth noting that the importance of Foreign languages and ICT skills, i.e. non-soft competencies, will increase more than the importance of any soft competency.4

II. Methodology

The aim of this paper is to examine the importance of soft competencies for Romanian labour market and evaluate soft competencies gap, as was stated above. It was realized by direct questioning on an importance of particular soft competencies5 for work performance, evaluation of employers’ requirements on soft competencies, evaluation of their current level in the case of graduates and unemployed people, and soft competencies development by training/education.

4 Similar development is expected also at European level. An analysis of future skills needs in different economic sectors and occupation groups (Balcar, 2011) identified ICT skills and Foreign language as non-soft competencies and Flexibility, Communication and Intercultural skills as soft competencies, whose importance will increase across whole economy in the future.

5 The survey employed 10 of 14 soft competencies defined by “Competencies for Labour Market” project, i.e. independence, customer orientation, efficiency, proactive approach, problem solving, effective communication, co-operation, flexibility, planning and organizing and life-long learning. Professional knowledge and skills, as an approximation of hard skills, was employed as well. It enabled to compare relative importance of soft competencies and hard competencies for employers.
The survey was realized in 7 NUTS-3 regions of Romania in March 2011. The 7 regions, i.e. Cluj, Dolj, Olt, Dambovita, Ialomita, Constanta and Neamt, represented 3.97 million inhabitants in 2009, i.e. 18.48 % of inhabitants in Romania (Eurostat, 2011).

The survey was targeted at employers in these regions. An invitation to the survey was distributed to 2,800 employers from private and public sector, i.e. 400 employers in each region. (Finally, 277 employers took part in it.) The employers were selected according to their size and prevailing economic activity, whereas the most important employers according to TOP 100 award were preferred. Romanian Companies Database (for details see Borg Design, 2011) was used for a selection of employers.

Invitations to the survey were distributed to managers/owners or HR managers of selected organizations. They were informed about the survey and invited to participate in it by an e-mail. Subsequently they were contacted by phone, asked for their participation in the survey again and their pertinent questions were answered. Data were gathered through on-line application. In the case of problems with filling the on-line questionnaire, phone operators were instructed to help by advice or by filling the questionnaire by phone. Data gathering was realized by the company Brainstorming Consulting (Bucharest, Romania).

Semi-standardized interviews with representatives of 70 companies were realized to replenished results of questionnaire survey. They were focused mainly on a role of soft competencies in hiring process, methods of their evaluation used by employers, ways of their development and future perspective on soft competencies needs. However, the results from interviews are not presented here because of space limitation.
III. Structure of respondents

The questionnaire was responded by 277 employers (2,800 employers were invited to participate in the survey), which correspond to response rate at level 9.89 %.

The respondents represent subjects employing 36,268 persons. Micro- and small sized employers (up to 49 employees) dominate in the sample, because they represent 71.2 % of all respondents. Medium sized employers (50-249 employees) represent additional 20.2 % of respondents. Large sized employers (250 and more employees) form the rest 8.7 % of respondents.

Prevailing economic activity of respondents was concentrated into four main sectors, i.e. Manufacturing (20.6 %), Wholesale and retail trade, repair of motor vehicles and motorcycles (19.9 %), Other service activities (16.2 %) and Construction (14.4 %), which represent 71.1 % of respondents. The rest 28.9 % of respondents can be found in Agriculture, forestry and fishing (4.3 %), Information and communication (4.3 %), Accommodation and food service activities (4.0 %) and other 12 sectors with a share lower than 3.0 %.

Knowledge-intensity of economic activities of respondents is considered as a relevant factor affecting the awareness of an importance of soft competencies for work performance. Employers with less than 25 % (50 %) of highly educated employees represent 59.2 % (74.7 %) of respondents.

There are no statistically significant differences (at 0.05 level) in distribution of respondents among 7 selected regions (according to localization of prevailing number of their employees), thus their geographic distribution can be considered as equal.
IV. Competencies and employability

Respondents had fresh experience with hiring new employees, because 91.3% of them hired some employee(s) in the last 12 months.6 Problems with hiring new employees declared 35.4% of respondents. Lack of qualification (19.5%), lack of soft competencies (14.4%) and low motivation to work together with high social benefits (both 12.3%) were identified as the most frequent causes of these problems (declared by more than 10% of employers). These facts support a relevancy of information, which respondents provided in the survey.

Employers were asked to evaluate an importance of particular soft competencies (and professional knowledge and skills representing an instrument for benchmark) for high work performance at 7 point scale.7 The results show that competencies for efficiency, problem solving, cooperation, planning/organizing and effective communication represent the five most important soft competencies for high work performance. The importance of professional knowledge and skills seems to be similar as the importance of highly ranked soft competencies. See Table 1 for details.

6 Detailed information on hiring shows that 43.7% of employers hired graduates and 40.8% of employers hired unemployed persons registered at Employment Offices. These figures suggest that graduates and unemployed persons represent important sources of potential employees, which have strong implication for soft competencies development.

7 Importance of competencies was evaluated at 7 point scale, where value 1 represents “not important” and value 7 represents “extremely important”. Final value of an importance of particular soft competencies was counted as a mean of values stated by respondents.
Table 1

Importance of soft competencies for work performance (mean value)

<table>
<thead>
<tr>
<th>Importance of competencies</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>6.49</td>
</tr>
<tr>
<td>Problem solving</td>
<td>6.27</td>
</tr>
<tr>
<td>Co-operation</td>
<td>6.13</td>
</tr>
<tr>
<td>Planning and organizing</td>
<td>6.05</td>
</tr>
<tr>
<td>Effective communication</td>
<td>6.03</td>
</tr>
<tr>
<td>Customer orientation</td>
<td>5.91</td>
</tr>
<tr>
<td>Proactive approach</td>
<td>5.80</td>
</tr>
<tr>
<td>Flexibility</td>
<td>5.79</td>
</tr>
<tr>
<td>Life-long learning</td>
<td>5.72</td>
</tr>
<tr>
<td>Independence</td>
<td>4.71</td>
</tr>
<tr>
<td>Professional knowledge and skills</td>
<td>6.34</td>
</tr>
</tbody>
</table>

It could be expected that employers participating in high knowledge-intensity activities have significantly different preferences of particular competencies. The employers were, therefore, divided into two groups according to the share of highly educated employees (more or less than 50 %) and the preferred order of competencies was compared. Surprisingly, there were not identified significant differences in the order of competencies between the two specified groups, only minor differences occurred. It can be demonstrated by the Spearman correlation coefficient, whose value was 0.92 (statistically significant at 0.01 level). The only noteworthy difference was stronger preference of effective communication in the case of employers with higher share of highly educated employees.

An identification of the most important (and also the most demanded) soft competencies represents only the first step in a description of the role of soft competencies for individual employability in Romania. The
second step consists in defining employers’ requirements on soft competencies of job applicants and their ability to meet them. The employers were, therefore, asked to evaluate levels of soft competencies, which they require from job applicants, and also current levels of soft competencies of graduates and unemployed persons registered at Employment Offices as representatives of job applicants. Unfortunately, not all employers were able to provide all above stated information, which could bias the comparison of employers’ demand on soft competencies with the job applicants’ stock of the soft competencies. The effort to avoid this potential bias led to the elimination of all respondents, who did not answered all relevant questions. This step reduced a sample of respondents to 173 employers. However, it can be emphasized that results based on the restricted sample do not differ significantly from results based on full sample of respondents. (Figure 1 presents results based on the restricted sample.)

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8 Level of competencies was evaluated at 7 point scale, where value 1 represents “not developed” and value 7 represents “perfectly developed”. Final value was counted as a mean of values stated by respondents.
Figure 1

Level of soft competencies demanded by employers and supplied by graduates and unemployed (mean value)
Significant soft competencies gap has been identified between employers’ requirements and ability of graduates and unemployed persons registered at Labour Offices to meet them. The mean of required levels of all soft competencies reach the value 5.72 at the 7-point scale (7 represents “perfectly developed”), while corresponding value is 4.08 for graduates and 3.84 for unemployed persons. These values represent 71.4 % of the employers’ requirements on levels of soft competencies in the case of graduates and 67.22 % in the case of unemployed persons. It suggests that graduates have slightly higher level of soft competencies than unemployed persons.

Closer look reveals that there are soft competencies of graduates and unemployed persons, whose levels do not reach even two thirds of levels required by employers. In the case of graduates, they are competencies for efficiency (63.4 %), problem solving (64.3 %) and customer orientation (65.9 %). In the case of unemployed persons five insufficiently developed competencies can be found (three of them are shared with graduates). They are competencies for efficiency (63.0 %), effective communication (63.6 %), problem solving (65.1 %), proactive approach (65.3 %) and customer orientation (65.6 %). Also professional knowledge and skills of both graduates and unemployed persons belong among competencies, whose level reaches less than two thirds of employers’ requirements (63.2 % and 66.1 % respectively). On the other hand, it is possible to identify soft competencies, whose levels exceed three quarters of levels required by employers. They are competencies for independence (87.3 %), lifelong learning (79.4 %), proactive approach (76.3 %) and flexibility (75.4 %) in the case of graduates and competency for independence (80.3 %) in the case of unemployed persons.

9 It can be noted that described variation in reaching employers’ requirements on particular soft competencies stems rather from the differences in soft competencies requirements (standard
Also information on soft competencies, which are the least developed in comparison with the other ones for each group of job applicants, is relevant. Competencies for planning and organizing, customer orientation and problem solving represent the most significant weaknesses of graduates and competencies for independence, proactive approach and effective communication represent the most significant weaknesses of unemployed persons.

V. Development of competencies

The significant soft competencies gap, identified in the case of graduates and unemployed persons on Romanian labour market, put pressure on employers to develop soft competencies of their employees at their own expense.

The results, however, show that 30.0 % of employers do not pay any attention to development of neither soft competencies nor professional knowledge and skills of their employees. Taking into account only soft skills development, the share of employers not paying any attention to it increases to 50.5 %.

Competencies for effective communication (30.0 %), customer orientation (26.4 %) and planning and organizing (25.3 %), i.e. competencies identified as the most significant weaknesses of job applicants, are developed by employers the most often.
Table 2

Development of competencies and supply of relevant courses on educational market (share of respondents in %)

<table>
<thead>
<tr>
<th>Development of competencies of own employees by training/education</th>
<th>Lack of courses for competencies development on educational market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>18,4</td>
</tr>
<tr>
<td>Problem solving</td>
<td>18,4</td>
</tr>
<tr>
<td>Co-operation</td>
<td>18,1</td>
</tr>
<tr>
<td>Planning and organizing</td>
<td>25,3</td>
</tr>
<tr>
<td>Effective communication</td>
<td>30,0</td>
</tr>
<tr>
<td>Customer orientation</td>
<td>26,4</td>
</tr>
<tr>
<td>Proactive approach</td>
<td>11,2</td>
</tr>
<tr>
<td>Flexibility</td>
<td>10,8</td>
</tr>
<tr>
<td>Life-long learning</td>
<td>13,0</td>
</tr>
<tr>
<td>Independence</td>
<td>2,9</td>
</tr>
<tr>
<td>Professional knowledge and skills</td>
<td>48,7</td>
</tr>
</tbody>
</table>

Another dimension of competencies development is an availability of relevant training/educational courses on the market. Only 11.2 % of employers stated that all necessary courses for development both soft and professional competencies are available, whereas this share increases to 16.6 %, when only soft competencies are taken into consideration. This situation is insufficient in comparison with the situation on the market of training/educational courses developing professional knowledge and skills, because there are 70.8 % of employers satisfied with existing courses.

More than 30.0 % of employers perceive current supply of training and educational courses as insufficient in the case of competencies for problem solving (39.0 %), planning and organizing (31.0 %), customer orientation (30.7 %) and efficiency (30.3 %).
VI. Romanian “Soft Five”

Detailed information on soft competencies on Romanian labour market was provided in previous sections. The information was focused mainly on an importance of soft competencies for work performance, evaluation of employers’ requirements on soft competencies and ability of graduates and unemployed persons to meet these requirements, development of employees’ soft competencies by employers and existence of appropriate training/educational courses on the market.

This information facilitates an identification of the “Soft Five” on the Romanian labour market, i.e. five soft competencies, whose development would significantly increase labour productivity. Soft competencies belonging into the “Soft Five” can be characterized as important for work performance and not developed sufficiently. However, the conditions on educational market should be taken into account as well, because they affect the possibility of real soft skills development and thus the form of pertinent policy measures.

The summary of above stated results, which can be found in Table 3, enables to identify soft competencies belonging into the Romanian Soft Five. The list of these competencies follows:

- Competency for customer orientation;
- Competency for efficiency;
- Competency for problem solving;
- Competency for effective communication;
- Competency for planning and organizing.
The “Soft Five” identification

<table>
<thead>
<tr>
<th></th>
<th>Graduates</th>
<th>Unemployed</th>
<th>Courses</th>
<th>( \Sigma )</th>
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<tbody>
<tr>
<td></td>
<td>Col. 1</td>
<td>Col. 2</td>
<td>Col. 3</td>
<td>Col. 4</td>
</tr>
<tr>
<td>Customer orientation</td>
<td>•</td>
<td>•</td>
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<tr>
<td>Efficiency</td>
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<td>Problem solving</td>
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<td>•</td>
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<tr>
<td>Effective communication</td>
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<td>Planning and organizing</td>
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<td>Proactive approach</td>
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<td>Independence</td>
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<td>Life-long learning</td>
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<td>Co-operation</td>
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<td>Flexibility</td>
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</table>

Soft competencies marked by grey colour were identified as the most important (see Table 1). They have additional point in the last column.

Col. 1. The least developed competencies of graduates in comparison with employers’ requirements.
Col. 2. The least developed competencies of graduates in comparison with levels of other competencies.
Col. 3. The least developed competencies of unemployed persons in comparison with employers’ requirements.
Col. 4. The least developed competencies of unemployed persons in comparison with levels of other competencies.
Col. 5. The most often trained competencies.
Col. 6. Training/educational courses with the most insufficient supply on the market

The identification of soft competencies, which are simultaneously the most important for work performance and the least developed, represents a relevant input for an adaptation of current education curricula. Their development in the frame of formal education would eliminate one of the barriers of effective functioning of Romanian labour market, which would lead e.g. to labour productivity growth, decrease of structural unemployment and drop of employers’ expenditures on ensuring necessary level of soft skills for their employees. Information on the “Soft Five” is not relevant only for educational sector, but also for individuals, who can build up their
comparative advantage on the labour market on the development of appropriate soft competencies.

VII. Conclusions

Growing importance of soft competencies for individual’s success on the labour market is a trend, which significantly affects also countries of Central and Eastern Europe. Therefore, this paper examined an importance of soft competencies for Romanian labour market and evaluated gap between soft competencies of graduates and unemployed registered at Employment Offices and employers’ requirements. It was done on the basis of responses of 277 employers (representing 36,268 employees) gathered through questionnaire survey realized in 7 NUTS-3 regions of Romania in March 2011.

The main findings stemming from the survey can be summarized in the following points:

- 35.4% of respondents have difficulties with hiring new employees and the lack of soft competencies was identified as the second most frequent cause of these difficulties;
- competencies for efficiency, problem solving, cooperation, planning/organizing and effective communication were identified as the five most important soft competencies for work performance;
- significant gap was identified between employers’ requirements on soft skills levels (mean value 5.72 at the 7-point scale, where 7 represents “perfectly developed”) and real level of these skills in the case of graduates (mean value 4.08) and unemployed persons registered at Employment Offices (mean value 3.84);
- levels of competencies for efficiency, problem solving and customer orientation in the case of graduates and competencies for efficiency, problem solving, customer orientation, effective
communication and proactive approach in the case of unemployed do not reach even two thirds of employers’ requirements;

- regardless employers’ requirements, competencies for planning and organizing, customer orientation and problem solving represent the most significant weaknesses of graduates and competencies for independence, proactive approach and effective communication represent the most significant weaknesses of unemployed persons;

- 50.5% of employers do not pay any attention to the development of soft competencies of their employees and the others develop mainly competencies for effective communication, customer orientation and planning/organizing;

- there is a lack of sufficient training/education courses for development of soft competencies in the Romania, because only 16.6% of respondents are satisfied with current supply of these courses on the market.

These results enabled to identify the Soft Five, i.e. five soft competencies, whose development would significantly increase labour productivity. In Romania, they are competencies for customer orientation, efficiency, problem solving, effective communication and planning and organizing.

The identification of the Romanian Soft Five represents a relevant input for an adaptation of current education curricula (with a potential to eliminate one of the barriers of effective functioning of labour market) and a personal development building up the individual’s comparative advantage on the labour market.

Acknowledgements

The paper was created as a part of COMPETENT project (reg. No. POSDRU/96/6.2/S/62934) funded with a support from the European Commission.
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