Chapter 3

Business Graduate Skills: Competency–Based Model

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ABSTRACT

This chapter describes a model of competences composed of skills business professionals should possess once they graduate. The multilevel model considers competences from individual level to contextual (environmental) level requirements in order to start or lead a company in a complex and changing work environment. This chapter suggests that the academic institutions of higher education should learn about the emerging competences of different levels and types required from the current and future graduates when they reach the marketplace. Doing so will definitely help these academic institutions to design academic programs and services involving co-curricular and core-curricular activities on the campus in order to build and evaluate those different but interdependent competences.

INTRODUCTION

The Report of the Management Education Task Force to the AACSB International Board of Directors (2002) states that business education is formed by the needs and preferences of consumers of management education; knowledge and skills employers expect graduates to possess; the different available providers to the people interested in pursuing management degrees; and the resources that universities need to serve their students. In the workplace environment, the human resources department has already an idea of the job profile of each position and may develop a training plan for every employee. There are some characteristics frequently included in the job description: they are called skills, abilities, traits, or core competences. Abraham, Karns, Shaw and Mena (2001) prefer the term competency because it includes the characteristics, behaviors and traits necessary for a successful job performance. Wickramasinghe and Perera (2010) consider the importance of the employability skills so the graduate may get a first job, maintain it, or transfer it to a different position in the same or in a different organization, adapting to his/ her personal expectations and conditions. They classify the employability skills into subject skills and transferable skills. The subject skills are the discipline-related ones, and the transferable skills are generic competences,
which are important independently of the organization or its functional areas. The term *transferable* refers to the possibility of applying the knowledge acquired and use it in different jobs. Leckey and McGuigan (1997) agree with the importance of developing some personal transferable skills such as communication skills, problem solving skills, interactional skills, initiative, and efficiency.

Several authors have developed generic competencies models, which are important to both employers and academics to design job profiles or curriculum. Alles (2007) developed a generic skills model for organizations including a detailed dictionary explaining the different types of competencies according to the organizational level of the employee. She also included an extensive list of generic competencies applicable to every worker, so the organization may prioritize them according to its strategic core values and beliefs. Lombardo and Eichinger (2012) also classify competencies for two organizational levels: managers and executives. They include strategic skills, operating skills, courage, energy and drive, organizational positioning skills, personal and interpersonal skills and career stallers for both levels.

**COMPETENCIES NEEDED BY BUSINESS GRADUATES**

In higher education, students must be educated to develop general competencies in order to be prepared for a complex environment with unlimited possibilities. Dhillon (2009) states that business education must provide students with the communication, interpersonal, and intellectual skills that prepare them for a better understanding of the broad picture of business in today’s global environment. Villa and Poblete (2007) developed a generic competencies model considering these uncertainties and classified competencies into instrumental, interpersonal and systemic categories. The instrumental competencies are related to individual generic skills useful to carry out day to day activities. The interpersonal competencies are required to manage the self and others. The systemic competencies are leadership attributes which help to understand complex relations. Villa and Poblete (2007) designed observable behaviors rubrics to assess the development of the competency at three different levels. Similarly, Bennett, Dunne, and Carre (1999) developed a model of generic skills which describe the management of the self, of information, of others, and of tasks.

The generic competencies that the AACSB International (2012) and other authors consider important for the business graduates to have are: ethical reasoning, language and communications abilities, problem-solving skills, and preparation for lifelong learning. Whetten and Cameron (2007) consider the personal, interpersonal, and group competencies as a classification of managerial competencies. Berdrowa and Evers (2010) did an extensive research on business students and professionals in different phases of their career in order to design bases of competency model. It includes 17 skills classified into four competences of a hierarchical level: a) Managing Self, b) Communicating, c) Managing People and Tasks and d) Mobilizing Innovation and Change. The Managing Self and Communicating are like a foundation stone for Managing People and Tasks and Mobilizing Innovation and Change. Therefore, it is important to include them in early business education courses. However, studies conducted on employers and alumni determine the relevance and importance of specific skills. According to a study conducted by Tecnológico de Monterrey in 2009, on 168 organizations in Mexico, the top ten factors considered to hire a graduate are the following:

- Teamwork.
- Work under pressure.
- Proactivity.
- Leadership.
- Information management.
- Entrepreneur and innovation.